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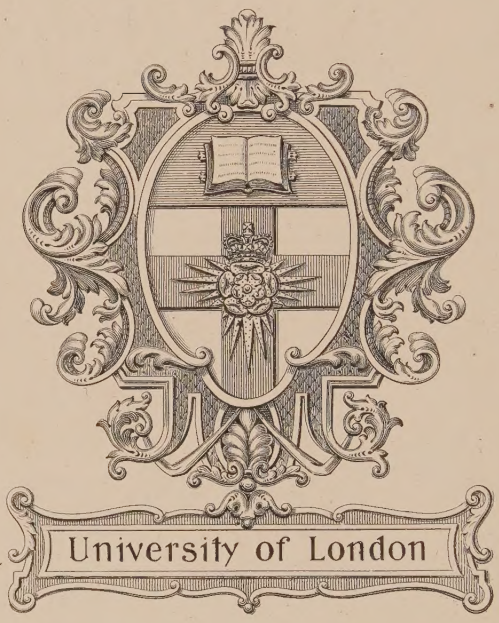

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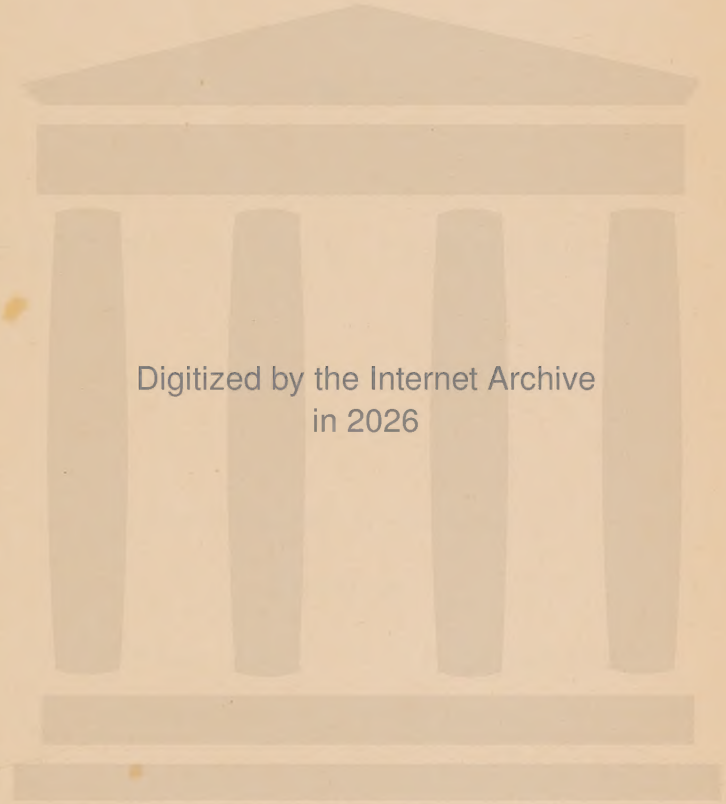
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ACCOUNTS AND PAPERS:

THIRTY-TWO VOLUMES.

—*(28.)*—

MANUFACTURES, COMMERCE, &c.

Session

10 *December* 1868 —— 11 *August* 1869.

VOL. LXI.

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THIRTY-TWO VOLUMES.

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1868-9.

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TWENTY-EIGHTH VOLUME.

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REPORTS

BY

HER MAJESTY'S SECRETARIES

OF

EMBASSY AND LEGATION,

ON THE

MANUFACTURES, COMMERCE, &c.,

OF THE

COUNTRIES IN WHICH THEY RESIDE.

Presented to both Houses of Parliament by Command of Her Majesty.
February 1869.

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United States of Colombia.

Report by Mr. Bunch, Her Majesty's Chargé d'Affaires, on the Financial Condition of the United States of Colombia.

Bogota, May 11, 1868.

The Report of the Finance Minister of the United States of Colombia, which has lately been published, commences with the remark, by no means unusual in documents of this description, that the political crisis from which the Republic has just emerged has, by its injurious effects on industry and commerce, seriously affected the national revenue. Judging, however, from the impulse given to foreign commerce within the last few months, and to the gradual revival of industrial enterprises in the interior States of the Union, consequent upon the cessation of civil discords, the secretary looks forward to the speedy amelioration of the finances of the country.

Properly speaking, but little information is given in this Report respecting the financial situation. Indeed, the drawing up of the balance sheet of income and expenditure and, in general, the administration of the finances, belongs to another Department of State—that of the Treasury—upon whose annual exposé to Congress a report has recently been furnished to the Foreign Office by Her Majesty's Legation. A few Returns, however, are given regarding the two principal sources of revenue of the Federal Government, viz., the Custom-house dues and the salt monopoly, and from them the following data is extracted.

The income derived from the former in 1867 amounted to 1,027,554 dollars (205,510*l.* 16*s.*), showing a decrease as compared with 1866 of 223,663 dollars (44,732*l.* 12*s.*). The estimated income from this source for the forthcoming year is put down at 1,500,000 dollars (300,000*l.*). More than half of the Customs revenue, it would appear, is especially hypothecated to British creditors, and it is but fair to add that, notwithstanding the serious financial

embarrassments under which the Colombian Government has laboured of recent years, it has not once diverted from their intended application the sums so mortgaged.

The system of levying the import duties by weight, which was established in 1861, is warmly defended by the Finance Minister on account both of its simplicity and economy. His Excellency is not, however, blind to the manifest injustice it involves, subjecting as it does articles of primary necessity to the same duty as the costliest objects, and therefore imposing a disproportionate burthen on the poor. But the *ad valorem* system to which the Government might revert as more equitable, would, unless under a thoroughly efficient administration which the country is unable to afford, open the door to such fraudulent practices and engender such general corruption, that it refrains from recommending its adoption.

Certain tariff reforms are submitted to the attention of Congress by the Finance Minister which, having already been rejected by the Chamber of Representatives, need not be dwelt upon. He also proposes the limitation of the coasting trade to ports so-called "habilitados," that is, where Custom-houses are established. The object of this measure is to prevent the contraband trade carried on with the Goajira Indians. The secretary likewise urges upon Congress the necessity of adopting stringent measures calculated to put a stop to the intolerable abuse committed by State Governments, and especially those in the Atlantic coast, of appropriating to their own purposes the Customs Revenue. Two important steps in this direction have been lately taken; the sending of a military force for the protection of the port and Custom-house of Santa Martha, where the import trade is chiefly centred; and the permission granted to importers of paying the Customs duties at Bogota, the seat of the Federal Government to whom this branch of the revenue exclusively belongs.

The product of the salt monopoly during the year 1867, was 1,086,613 dollars (217,332*l.* 12*s.*), which, compared with that of the previous year, shows an increase of 349,711 dollars (69,942*l.* 4*s.*). This, however, is not looked upon as a natural augmentation. It is ascribed to the fact that, during the dictatorial rule of General Mosquera in 1867, holders of certain Government bonds, admissible in payment of State taxes, fearing that

some arbitrary Decree would be issued by which the value of their securities would be injuriously affected, hastened to purchase salt as the only speedy means of getting rid of them. The result has been that the demand for the article at the Government deposits has ever since been inconsiderable; 15 per cent. of the salt revenue is hypothecated to British creditors.

The revenue derived from the Post Office in 1867, would seem to have been by a good deal below the expenditure, the former being 45,663 dollars (9,132*l.* 12*s.*), and the latter 67,543 dollars (13,508*l.* 12*s.*). The national Mints have proved equally unprofitable. The miscellaneous receipts amounted to 257,540 dollars (51,508*l.*).

A mass of information is given in the Report under consideration respecting the foreign trade of the Republic Under no circumstances would its entire reproduction here serve any practical purpose. But it is, in many respects, so notoriously untrustworthy, and the method followed in its compilation so utterly incomprehensible, that only such portions of it as at all bear investigation are subjoined.

The imports and exports in 1867 show a very perceptible diminution over the previous year :—

	Dollars.	£	*s.*
The value of Imports was ..	5,524,493	= 1,104,498	12
Against, in 1866	7,897,206	1,579,441	4
Decrease	2,372,713	474,542	12

	Dollars.	£	*s.*
The value of Exports in 1867 was	5,494,259	= 1,098,851	16
Against, in 1866	6,772,017	1,354,403	8
Decrease	1,277,758	255,551	12

In this statement the exportation of precious metals, the value of which is estimated at 600,000*l.* per annum, is not included.

The value of the import and export trade with England (exclusive of the Isthmus of Panama) is thus resumed :—

	Dollars.	£
Imports	3,209,650	= 641,930
Exports	959,645	191,929
Excess of Imports over Exports ..	2,250,005	450,001

RETURN of the number of vessels which entered Colombian ports in 1867.

	No.	Tonnage.
Under the national flag ..	147	26,992
Under a foreign flag	556	247,721
Of the latter there were—		
British vessels	174	124,140

RETURN of vessels which cleared Colombian ports in 1867.

	No.	Tonnage.
Under the national flag ..	133	27,113
Under a foreign flag	587	225,152
Of the latter there were—		
British vessels	162	124,996

Although there is, perhaps, no country in South America where larger coal districts are found than in Colombia, little or nothing has, as yet, been done towards turning them to account. In one or two spots, within the reach of an accessible market, and where iron is found in its immediate neighbourhood, coal is employed to a very limited extent, but the works are carried on without system and nowhere is machinery used. Latterly, however, the attention of the public and of the Government has been directed to the immense coalfields said to have been found in the Province of Rio Hacha, at no great distance from the Atlantic coast; and, with the concurrence of Congress, steps are about to be taken to render the discovery available. Were the quality of the coal such as it is described, its value would, from its proximity to the sea, be greatly enhanced; and the Government, to whom the mines belong, derive no small advantage from them by supplying the great ocean steamers, which touch at the Atlantic ports of the Republic and those of the Isthmus of Panama It would also find a ready market in the West Indies. Other advantages might result from this discovery. At present several lines of railway are projected, and amongst others, one from Barranquilla (on the River Magdalena) to the sea; and the prospect of obtaining good and cheap fuel will, no doubt, facilitate the undertaking.

Bavaria.

Report by Mr. Fenton, Her Majesty's Secretary of Legation, on the Finances of Bavaria.

Munich, June 1868.

The Bavarian Budget for the ninth financial period, that is to say, for the two years commencing on the 1st of January, 1868, and ending on the 31st of December, 1869, which was laid before the Chamber of Deputies soon after the beginning of the Session in September, 1867, was only finally voted by the two Houses of the Bavarian Parliament towards the end of May of the present year, having been under discussion in the Committees of the Chambers and in the Chambers themselves, for a period of nearly eight months. In the course of that lengthy discussion, the Budget underwent some very material modifications, though as regards the sum total of the estimated revenue and expenditure, there is, as I shall presently describe, but little difference between the Budget as it was presented by the Minister of Finance, and the Budget as voted by the Chambers.

I may premise by stating that, with the 1st of January 1868, the law passed in 1865 came into force, which fixed at two years instead of six years, the period for which each Budget should, in future, be voted. The present is, consequently, the first two years' Budget ever laid before the Bavarian Chambers. In one other respect it also differs from any previous Budget. Hitherto it has been customary to present what was called a Net Budget, that is to say, one which specified only the estimated net amount of revenue to be derived from each particular source. The present Budget is, on the contrary, a so-called Gross Budget, which gives the estimates of gross receipts under each head of revenue, and states separately the amount to be deducted under each such head, for the expenses of collection or administration as the case may be.

As the 1st of January of the present year was the date at which the new Budget was to come into force, and it

was found that as that date approached that there was no probability of the estimates being voted in proper time, the Chambers conferred a special authority on the Minister of Finance to continue provisionally to levy taxes and to defray the expenditure of the State, on the bases laid down in the Budget for the previous, or eighth Financial period.

The Minister of Finance on presenting his new Budget to the Chambers stated that, in drawing it up, he had had to deal with a far more difficult and unfavourable state of things than that which had existed on any previous occasion, the ordinary expenditure of the State having increased in almost all its branches, whilst a considerable amount of Extraordinary Expenditure had also been rendered necessary by certain special circumstances, the chief causes of this extra expenditure being the following :—

1. The increase in the Public Debt (as the results of events of the year 1866), and the consequent increased requirements for the payment of interest, &c.

2. The augmentation of the army, under the plan of the reorganization recently sanctioned by the Chambers.

3. The expediency, in view of the great increase in the cost of all necessaries of life during the last few years, of making an additional annual allowance to all civil servants of the Crown receiving less than a certain rate of salary ; namely, 4,000 florins, or about 330*l.* sterling.

The extra requirements thus described added to the amount of the ordinary expenditure of the State, raised the sum total asked for by the Minister for the service of each of the two years of the Ninth Financial Period, to 59,282,820 florins (4,940,235*l.* sterling).

To meet this outlay the Minister assumed as the general basis of his estimates, the amount actually derived from all regular sources of revenue during the year 1865-66, but with the addition thereto of an increase at the rate of 50 per cent. on the entire direct taxation of the country.

In this manner he calculated upon raising—

	Florins.	£
A total Gross Revenue of ..	88,602,570	= 7,383,547
The cost of collecting which he estimated at	29,319,750	2,443,312
Leaving a Net Revenue of ..	59,282,820	4,940,235

which represented precisely the sum required to meet the expenditure.

The annual expenditure of the State, as voted in the Budget for the previous or Eighth Financial Period (1861 to 1867), was originally only 46,520,597 florins, equal to 3,876,716*l.* sterling; but this sum was increased by subsequent votes of the Chamber to 52,094,464 florins, equal to 4,341,205*l.* sterling. However, the average annual revenue actually raised during the first five years of that Financial Period (the accounts for the sixth year have not yet been made up) was about 55,000,000 florins, equal to 4,583,330*l.* sterling. The annual sum demanded by the Minister of Finance for the years 1868 and 1869 consequently exceeded that voted for each of the six years of the previous Financial Period by 7,188,356 florins, equal to 599,030*l.* sterling, and exceeded the average annual amount of revenue actually received during the first five years of that period by 4,282,820 florins, equal to 356,901*l.* sterling; and this latter sum represents about the amount which the Minister calculated on raising by means of the proposed addition of 50 per cent. to every description of direct tax already existing. As regards the question of the sum total of the annual expenditure, as set forth in the new Budget, the Chambers did not raise any very great difficulties; for though they, in some instances, reduce the amount of an item, they made some addition to other items, the result being that the sum total finally voted by the two Chambers for the expenditure of each of the years 1868 and 1869 was 58,508,588 florins, equal to 4,875,716*l.* sterling, or about 64,500*l.* less than the sum asked for by the Minister. But as regards the means of raising that amount of revenue the Chamber of Deputies appears at once to have firmly set its face against the proposed increase in the direct taxation, and the chief object pursued during the lengthy deliberations of the Budget Committee of the Lower House, seems to have been that of raising the estimates of revenue to be derived from the various ordinary sources of income, in such manner as to provide the 58,508,588 florins necessary for meeting the requirements of the State, without imposing on the tax payers an additional burthen of any description.

The process by which the Chamber achieved this result, was simply that of striking out the proposed increase in the direct taxes, and making the necessary additions to the

Minister's estimates of the amounts to be expected from other sources, and, at the same time, by reducing the estimate of the expenses of collection and administration.

Thus the Minister's estimate of the gross receipts from direct taxes were reduced from 15,277,000 florins (which included the additional 50 per cent. proposed) to 10,330,000 florins; whilst the estimates of gross receipts from the other more important sources of revenue were raised as follows :—

	Florins.	Florins.
Indirect taxes	from 25,884,590 to	27,755,150
State monopolies	„ 28,000,000 „	28,906,276
State domains	„ 17,315,600 „	17,816,426
Government railways ..	„ 20,895,100 „	21,855,520

On the other hand, the estimated cost of collection and administration was reduced from 29,319,750 florins to 28,636,018 florins, nearly the whole of this reduction having been made upon the estimate for the administration of the Government railways. The following was consequently the general result arrived at in fixing the estimates of revenue.

	Florins.	£
Gross Revenue	87,144,606	= 7,262,051
Cost of collection and administration.	28,636,018	2,386,335
Net Revenue	58,508,588	4,875,716

How far the Chambers have been well advised in thus straining the estimates beyond a point which the ordinary revenue of the State has never yet actually reached, remains to be seen; but many persons doubt whether their expectations will be in every respect justified by the result, especially as regards some heads of indirect taxation; for instance, Customs duties, the estimate of the gross proceeds of which have been raised by 960,560 florins, or at the rate of 10 per cent. in excess of the sum calculated upon in the Minister's Budget, and Excise duties (chiefly the malt tax), increased by 550,000 florins, or at the rate of 6 per cent., whilst 1,000,000 florins has been added to the Minister's estimate of the gross income to be derived from the Government railways; although it may well be questioned whether in the existing generally depressed condition of trade and industry, and consequent diminished prosperity, so large a return can fairly be expected from those sources of revenue; at any rate, during the present year.

Under any circumstances it is scarcely to be anticipated that, with the Budget as voted for the Ninth Financial Period, the satisfactory state of things can be maintained which, previous to 1866, had for so many years existed in Bavaria, and under which the revenue yielded every year a sum considerably in excess of the estimates, and left a large surplus over the expenditure; which surplus, I may state, it was not the practice to carry forward towards meeting the requirements of the following year. It was regularly added to the permanent surplus fund, which was only appropriated to a small extent in fixing the amount of ways and means at the commencement of each new Financial Period, and was mainly reserved as a resource for meeting the expenditure necessary for any special object, or for supplying funds on a sudden emergency; such, for instance, as occurred in the year 1866, when it became necessary, at a short notice, to place the Bavarian army on a war footing.

Subjoined is a summary of the Budget for the Ninth Financial Period as passed by the Chambers:—

BUDGET for the Ninth Financial Period, comprising the Years 1868 and 1869.

ESTIMATED GROSS REVENUE FOR EACH YEAR.

	Florins.	Florins.	£
Amount to be taken from surplus remaining from previous Financial Periods		1,825,000 =	152,083⅓
Direct Taxes—			
Land Tax	6,686,300		
House Tax	1,011,900		
Trades Tax	1,595,000		
Property Tax	692,800		
Income Tax	344,000		
		10,330,000 =	860,833⅓
Indirect Taxes—			
Registration dues, &c.	5,910,000		
Stamps	1,800,000		
Excise duties	9,351,150		
Customs duties	10,694,000		
		27,755,150 =	2,312,929⅙
Government Establishments—			
Salt works	1,334,586		
Mines in Bavaria Proper	943,650		
Ditto in the Palatinate	807,200		
Railways	21,855,520		
Post Office	3,450,700		
Telegraph	364,300		
Danube and Maine Canal	114,900		
Official Gazette	30,270		
Sundries	5,150		
		28,906,276 =	2,408,856⅓
State domains, forests, &c.		17,810,800 =	1,484,234
Special taxes and dues		33,970 =	2,831

	Florins.	Florins.	£
Miscellaneous Receipts—			
Indemnity paid by Austria	102,083		
Quotum of profits realized by the Eastern Railway Company	200,000		
Sale of stores, &c.	1,747		
Incidental receipts	7,000		
		310,830 =	25,902
Official fees levied in behalf of Pension Fund for widows and orphans of Civil servants		172,580 =	14,382
Total Gross Revenue		87,144,606 =	7,262,051
Deduct expenses of collection and administration, as follows :—			
Expenses of Chief Revenue Office ..	845,415		
Ditto of collecting Direct Taxes	292,810		
Ditto, ditto Indirect Taxes	2,253,206		
Ditto, ditto Special and Miscellaneous Taxes	15,270		
Ditto of administration of Salt Works ..	1,294,586		
Ditto, ditto of Mines in Bavaria Proper ..	903,650		
Ditto, ditto of Mines in the Palatinate ..	507,200		
Ditto, ditto of Railways	12,694,048		
Ditto, ditto of the Post Office	2,943,000		
Ditto, ditto of the Telegraph	293,473		
Ditto, ditto of Danube and Maine Canal ..	194,400		
Ditto, ditto of Official Gazette	16,370		
Ditto, ditto of State Domains	6,379,550		
Ditto, ditto of Widows and Orphans Fund ..	2,580		
Sundries	460		
Total cost of collection, &c.		28,636,018 =	2,386,335
Net Revenue		58,508,588 =	4,875,716

ESTIMATED EXPENDITURE FOR EACH YEAR.

	Florins.	Florins.	£
Interest and Sinking Fund of the Public Debt .	..	16,506,200 =	1,375,517
Royal Household and Court—			
Permanent Civil List of the King.. ..	2,350,580		
Appanages of members of the Royal Family.	620,000		
Pensions of Queen Mother and of Queen Amelia of Greece	161,340		
Pensions of Court functionaries	14,162		
		3,146,082 =	262,173
Council of State..	..	78,476 =	6,539
Diet (Houses of Parliament)	..	287,270 =	23,939
Department of Foreign Affairs—			
General Expenses	480,873		
Public buildings	1,200		
		482,073 =	40,173
Department of Justice—			
General expenses	4,030,969		
Administration of criminal justice.. ..	691,160		
Public buildings	220,000		
		4,942,129 =	411,844
Department of the Interior—			
General expenses	1,973,120		
Public Health (hospitals, &c.)	295,539		
Charitable institutions	425,291		
Public security	2,449,478		
Special contributions to Communal funds ..	95,498		
Construction and maintenance of roads communicating with railway stations ..	250,000		
Public buildings	194,318		
		5,683,244 =	473,604

	Florins.	Florins.	£
Department for Church and School Affairs—			
General expenses	111,215		
Public education	1,523,916		
Public worship (Catholic)	1,411,042		
,, (Protestant)	599,827		
Contribution to Provincial funds	647,345		
Public buildings	486,845		
		4,780,190 =	398,349
Department of Finance—			
General expenses	930,195		
Public buildings	11,000		
Subvention to Glass Painting establishment .	3,000		
		944,195 =	78,683
Department of Commerce and Public Works—			
General expenses	288,494		
Industry and agriculture	509,349		
Roads, bridges, and canals	3,017,042		
Works for the improvement of the navigation of the Upper Danube..	200,000		
Public buildings	50,000		
		4,064,885 =	338,740½
Military Establishment—			
Standing army and Landwehr	13,040,386		
Topographical Department	58,500		
Invalids, widows, and orphans	127,076		
Military pensions	1,457,598		
Fortresses	274,264		
Military chaplains	17,641		
		14,975,465 =	1,247,955½
Pensions of widows and orphans of public Civil servants		800,000 =	66,667
Contribution to "State Reserve Fund"		1,818,379 =	151,532
Total Estimated Expenditure		58,508,588 =	4,875,716
Estimated Net Revenue		58,508,588 =	4,875,716

It will be seen, that as regards the form in which this Budget is drawn up, it differs (independently of the points to which I have already referred), in so far from previous Budgets, that in the Estimates of Expenditure one considerable item has disappeared as a separate head of expenditure, namely, that entitled "Government Institutions," which comprised some of the most important branches of the Public Service, such as Public Education, Public Worship, Public Security (Police, Prisons, &c.), Hospitals, Charitable Institutions. Roads and Bridges, &c., all of which appear in the new Budget, each in its proper place, that is to say, amongst the items of expenditure of that particular Ministerial Department to which it belongs, and by which it is directed.

With reference to the amount of the different items comprised in the estimates of revenue, I have only to observe, in addition to what I have already stated on the subject, that they begin with a sum of 1,825,000 florins, equal to 152,083*l.*, to be taken from the "surplus fund"

(just referred to), remaining over from previous financial periods; whereas in the Budget for the eighth financial period (1861 to 1867), this fund was only drawn upon to the extent of 200,000 florins for each year.

As regards the estimated expenditure, the two items which show the greatest augmentation as compared with previous Budgets, are those for "Interest on the Public Debt," and for the "Military Establishment."

The former, amounting to 16,506,200 florins, equal to 1,375,517*l.*, and the latter to 14,975,465 florins, equal to 1,247,955*l.*, are in excess of the sums voted under the same heads in the Budget for 1861 to 1867, by 2,949,824 florins, equal to 245,819*l.*, and 3,560,465 florins, equal to 296,705*l.* respectively. It is, however, necessary to state with regard to the former sum (16,506,200 florins), that it includes not only the amount required for the payment of interest and provision for the Sinking Fund of the State Debt, properly so called, but also the interest, &c., on the loans raised at various times by the Government for the construction of railways, although this latter debt must be looked upon rather as a profitable investment of capital, than as a State debt in the ordinary acceptation of the term, as the revenue derived from the railways belonging to the State not only suffices to meet the annual interest on the railway loan, and to provide a sum of nearly 1,000,000 florins yearly towards its extinction, so that within a given period the railways will remain the unencumbered property of the State; but likewise leaves a surplus to be added to the general income of the country.

In addition to the interest, &c., on the State and railway debts, there is also included in the above-mentioned amount of 16,506,200 florins for "interest, &c., on the Public Debt," a sum of about 580,000 florins contributed by the State towards the requirements for interest, &c., on the so-called "Land-charge Redemption Debt," which was incurred under the provisions of a law passed in the year 1848, for relieving the peasant land owners from certain manorial rights and servitudes connected with their tenure. The sum of 580,000 florins so contributed by the State represents, I may mention, the difference between the amount of interest payable by the Government on the bonds—constituting the loan in question—which were given to the lords of the soil as their indemnity for the rights which they relinquished—the value of which was

capitalized at the rate of twenty years' purchase—and the amount of the annual payments which the peasant proprietors engaged to make to the Government as the equivalent of the servitudes, &c., from which they were relieved, the value of those servitudes having been capitalized at the rate of only eighteen years' purchase, and the State having undertaken to make good the yearly deficit created by this difference in the two rates of capitalization assumed.

As far as can be gathered from the Decree which is published in the official "Gazette," along with the copy of the Budget, the following is the proportion in which the sum total of 16,506,200 florins for payment of interest, &c., on the Public Debt, is allotted amongst the three descriptions of debt above-mentioned:—

	Florins.		£
Interest and Sinking Fund on State Debt properly so called (that is to say, Old and New Debt and Military Debt) ..	8,142,000	=	678,500
Sum in aid of Interest, &c, on "Land-Charge Redemption-Debt"	582,000	=	48,500
Total of Interest, &c., on State Debt.	8,724,000	=	727,000
Interest and Sinking Fund of Railway Debt	7,782,200	=	648,517
	16,506,200		1,375,517

The requirements, therefore, on account of the interest and Sinking Fund of what may be called the unproductive portion of the Public Debt, amount but to 727,000*l.* annually, or less than one-fifth of the net revenue (exclusive of receipts from Government railways), as estimated in the Budget for 1868 and 1869; and I may here repeat what has been stated in previous Financial Reports from this Mission, namely, that the proceeds of the Excise duty on malt, which represent a sum of about 9,000,000 florins per annum, are specially secured by law for the payment of the interest and provisions for the Sinking Fund of the funded State Debt, *i.e.*, old, new, and military debts.

A statement, which I have obtained from an official source, of the precise amount of the different descriptions of the Public Debt of Bavaria, as they existed on the 31st December, 1867, will be found annexed to this Report.

As regards the estimate for the expenses of the military establishment, the sum asked for in the Budget as originally presented to the Chambers by the Minister of

Finance, was 16,057,857 florins, equal to 1,338,155*l.* sterling, for the annual ordinary expenditure of the army, on the peace footing, that is to say for a force of about 36,300 officers and men, and 9,000 horses; but at the same time a special "credit," independent of the budget estimate amounting to 3,032,834 florins, equal to 252,736*l.*, was demanded for the aggregate extraordinary expenses of the army during both of the two years of the Ninth Financial Period.

Thus, the entire sum asked for, for the ordinary and extraordinary requirements of the army, for each of those two years, was at the rate of 17,574,274 florins, equal to 1,464,523*l.* sterling.

This proposal underwent several modifications at the hands of the Chambers. The number of men and officers of the army reduced by about 800, chiefly by means of the suppression of two, out of four, new battalions of rifles which the Minister of War proposed to create; and by this and some other minor reductions, the sum total of the annual ordinary expenditure for the entire military establishment, inclusive of the administrative department, the permanent landwehr staff, &c., was brought down to 14,975,465 florins, equal to 1,247,955*l.* sterling, and at this sum it was finally fixed by the two chambers. The sum of 3,032,834 florins demanded for the extraordinary requirements was, in like manner, reduced to 2,580,341 florins, equal to 215,028*l.* sterling, for the whole period of the two years over which the new Budget extends. This amount, however, (as already stated) is not included in the budget itself, but is to be provided for out of special resources, in a manner to be determined upon after the accounts with reference to the disposal of the military loans raised in the year 1866 shall be laid before the Chamber. The sum total actually voted for the ordinary and extraordinary expenditure for the military establishment for each of the two years of the Ninth Financial Period, is, consequently, at the rate of 16,265,635 florins, equal to 1,355,469*l.* sterling, that is to say, presuming that the amount voted for the extraordinary expenses be applied in equal sums to the service of each of those two years to which, however, the War Department is not bound by the terms of the vote.

The ordinary and extraordinary expenditure on account of the army during each of the two years previous to the

war, namely, the years 1864 and 1865, amounted, according to the accounts rendered to the Chamber, to about 14,500,000 florins, equal to 1,208,330*l.* sterling, therefore, the total expenditure for the army, on the reorganized footing, as ultimately modified by the Chambers, amounts to about 147,000*l.*, annually in excess of the expenditure under the old system.

As regards the increase of salary, proposed by the Minister, to be given to certain categories of the civil servants of the Crown, this was sanctioned by the Chambers very nearly to the extent suggested in the original budget; but with this distinction, that it was accorded only as a supplementary "Allowance on account of increased dearness of living," and not as an actual addition to the salaries themselves, the object of this distinction being that, in this form the addition does not carry with it a right to an increased scale of retiring pension; for, it may be observed that the pension list of the various branches of the civil service in Bavaria, is already a very heavy one.

The following is a statement in detail of the amount of the public debt of Bavaria, on the 31st of December, 1867 :—

	Florins.	£
Old Debt	68,400,000	= 5,700,000
New Debt	37,549,700	= 3,129,142
Military Debt	38,915,800	= 3,242,983
Total Funded Debt	144,865,500	= 12,072,125
Treasury Notes issued in virtue of Law of 1866 (paying no interest)	15,000,000	= 1,250,000
Railway Debt	147,572,000	= 12,297,667
Land Charge Redemption Debt ..	96,712,000	= 8,059,350

This statement, as compared with the Official Return of the amount of the public debt at the close of the financial year 1865-66 (30th of September, 1866), shows the following augmentations, namely :—

	£
In the General Funded Debt	2,723,240
„ Treasury notes	1,250,000
„ Railway Debt	117,950

whilst on the Land Charge Redemption Debt it shows a reduction of 81,315*l.*

(Signed) H. P. FENTON.

Bavaria and the Zollverein States.

Report by Mr. Fenton, Her Majesty's Secretary of Legation, on the Introduction and Present Condition of the Manufacture of Beet-root Sugar in the States of the Zollverein; and on the Importation, Exportation, and Consumption of Sugar, Coffee, and Tea in those States.

Munich, June 1868.

A VERY elaborate statistical work, founded on official Returns, has recently been published by M. Bienengräber, one of the superior functionaries of the Central Office of the Administration of the Zollverein, on the commerce, manufactures, &c., of the States composing that Union, during the period between the years 1842 and 1864.

Amongst the subjects treated at some length in this work is that of the introduction, progress, and existing condition of the manufacture of beet-root sugar, as well as the system of taxation and drawbacks adopted with respect to it; and as this branch of industry has now attained very considerable development, and has been brought to great perfection in some of the States of the Zollverein, I have thought that, at the present time, when the subject of the manufacture of sugar from beet-root appears to be exciting some attention in England, a condensed account of the interesting details given by M. Bienengräber in the work in question might appropriately find a place in my Commercial Report for the present half-year.

Such summary, accompanied by some details referring more especially to the state of the beet-root manufacture in Bavaria, which I have derived from other sources, will be found in the following pages; and I have likewise added some information, drawn from M. Bienengräber's work, respecting the trade in, and consumption of coffee and tea in, the Zollverein States.

Until about the year 1835, colonial sugar alone was consumed in the States of the Zollverein. It was imported chiefly in the half-refined or raw state, and was refined at the sugar-houses established in the various States of the

Union. Of these establishments there were in the year 1835, eighty-six in the whole Union; namely, seventy-four in Prussia, and twelve in the other States. But with the introduction of the manufacture of sugar from beet-root, a change occurred in this state of things. As the new description of sugar became known, the use of colonial loaf-sugar gradually fell off; and for several years past but a comparatively small quantity of any other than beet-root sugar has been consumed in the Zollverein States; for though colonial sugar is acknowledged to be of superior quality to that made from beet-root, it would appear that the general consumer considers this difference in the quality as being fully compensated by the great difference between the price at which the one and the other description can be sold in Germany; and almost the only classes by which refined colonial sugar is now used in the Zollverein States are the confectioners and distillers of liqueurs, to whom quality is an important consideration.

The discovery that sugar could be produced from beet-root in the same manner as from the sugar-cane is claimed to have been made in 1747, by a chemist of Berlin, of the name of Marggraf; and he invented a process by which the saccharine matter could be extracted and transformed into raw sugar. But his discoveries led to no immediate practical result; and the subject of beet-root sugar was neglected until 1796, when it was again taken up by a person named Achard, likewise a resident at Berlin, who, after a lengthened series of experiments, established, in the year 1804, a beet-root sugar manufactory, on a small scale, at Kunern, in Silesia. About the same time a certain Baron Koppy set up a manufactory of the same kind, also in Silesia; and a landed proprietor, named Nathusius, established another at Althaldensleben, near Magdeburg.

But these attempts proved in the end unsuccessful, chiefly in consequence of the imperfect nature of the process adopted and the machinery employed; and the establishments were soon given up.

Shortly afterwards, experiments of the same description were made in France; and in the year 1812, the manufacture of beet-root was fairly established as a branch of industry in that country.

Assisted by the discoveries which had in the meantime been made in chemistry, and by the improvements in machinery, it proved very successful, and the number of

manufactures rapidly increased. An improved mode of manipulating the raw material was introduced, and a very important step was made in the process of refining, by the substitution of bone-charcoal for the substances previously made use of; the general result of these improvements having been a greatly-increased yield of raw sugar in proportion to the quantity of beet-root employed, and the production of a much purer description of refined sugar.

By the year 1828, the number of beet-root sugar-manufactories in France had increased to 103, producing about 5,000,000 kilogrammes* of sugar annually.

In the year 1835, the quantity produced was 32,974,200 kilogrammes, or at the rate of a small fraction more than 1 kilogramme per head of the population; the year following, the production reached 49,000,000 kilogrammes.

These satisfactory results led to the resumption of the manufacture, both in Prussia and in other parts of Germany; and the improved processes introduced into France were successfully adopted by the German manufacturers. Already, in the year 1836, seventeen manufactories were in operation in Prussia, and forty-four others were in course of construction. In the other States of the German Customs Union there were, in that year, four manufactories already at work, and twenty-two were being built. But it would appear that the quantity of sugar produced by these manufactories was still not very considerable. In the course of the next three years the manufacture increased to a very great extent, as shown by the following Return, given by Professor Dietrici in his Statistical Tables relative to Commerce, Consumption, &c., in the States of the Zollverein :—

	Manufactories at work.	Raw Sugar produced.
		Zoll. Cwt.†
1836–37‡	122	25,346
Of these were in Prussia..	90	19,925
1837–38	156	138,197
Of these in Prussia ..	102	117,380
1838–39	159	145,210
Of these in Prussia ..	105	112,268

* The French kilogramme is equal to 2 lbs. 3¼ oz. avoirdupois.

† The Zollverein cwt. weighs 110¼ lbs. avoirdupois.

‡ In the Zollverein States the financial year commences on the 1st of September, and ends on the 31st of August of the following year.

The absolute correctness of these figures, in so far as they relate to the quantity of sugar produced, may, however, be questioned, as, at the period referred to, no official Returns were made on this head; moreover, as the question of imposing an Excise duty on this new branch of industry was then in agitation, the manufacturers may be presumed to have had an interest in rather understating than exaggerating the extent of their operations.

In the year 1840-41 the duty in question was imposed, and official Returns have been regularly rendered since that date, showing the precise scale on which the manufacture was carried on.

This duty was at first imposed in Prussia only (by an Order dated March 21, 1840), and as the object in view was, in the first instance, rather that of establishing a means of ascertaining precisely the extent of the manufacture than of raising revenue, the duty was fixed at a very low rate; and the system adopted was that of levying it, not on the sugar manufactured, but on the raw beet-root employed in the manufacture.

A quarter of a silver-groschen* per Zollverein cwt. of beet-root was the rate at which the duty was fixed, and this, it was considered, would be equal, in the still somewhat imperfect condition of the manufacture as it then existed, to about 5 silver-groschen on the Zollverein cwt. of raw sugar produced.

In the spring of the following year, namely, in 1841, a provisional or temporary agreement was entered into between all the States composing the Zollverein, to the effect that an uniform duty (to be levied on the same principle as the tax already introduced in Prussia) should be imposed on the manufacture of beet-root sugar in each of those States; and the rate of duty adopted was that of half a silver-groschen per Zollverein cwt. of beet-root made use of.

It was stipulated, however, that until the 1st of September, 1844, each State should collect the duty levied in the State itself, for its own benefit, and that it should only become, after that date, a general tax to be raised on account of the Customs Union Exchequer, and dealt with in the same manner as the other Customs Union revenues.

* Ten silver-groschen (of which 30 make a Prussian dollar) are equal to an English shilling; consequently 1 silver-groschen represents $1\frac{1}{5}d.$ sterling.

By a subsequent understanding between all the States of the Union, it was decided that the provisional agreement entered into in the spring of 1841 should be made permanent.

It was further settled that, for the purposes of taxation, the beet-root should be weighed, and its weight registered, immediately before being made use of in the manufactory; and that, after the 1st of September, 1844, the duty should be raised to $1\frac{1}{2}$ silver-groschen per Zollverein cwt. of beet-root.

On the 1st of September, 1850, this duty was raised, in virtue of a fresh agreement amongst the different Zollverein States, to 3 silver-groschen per Zollverein cwt.; and on the 1st of September, 1853, it was further increased to 6 silver-groschen: and finally, on the 1st of September, 1858, to $7\frac{1}{2}$ silver-groschen, at which rate it has remained up to the present time (June 1868).

These successive augmentations of the duty, and especially that from 3 to 6 silver-groschen in September 1853, gave rise to great dissatisfaction and complaint on the part of the manufacturers, who declared that under the weight of such a tax the manufacture would be crushed; and the result proved that they were so far in the right that several establishments were soon afterwards given up, the total number of 238 manufactories, which were in operation in 1853, having been reduced in the course of the two following years to 216; but in the year 1856 the number had again risen to 233, and from that time forward there was a progressive increase year by year.

Simultaneously with this increase, further improvements were introduced in the mode of manufacture; and to such perfection has it now been brought that, whilst at the period when the duty was first imposed the average yield was only calculated to be at the rate of about 1 Zollverein cwt. of raw sugar to every 20 Zollverein cwts. of beet-root, the most successful establishments produce, at the present day, that quantity of raw sugar from about 10 or 11 Zollverein cwts. of the root. The proportionate production of sugar varies, however, considerably in different manufactories, partly in consequence of a difference in the process adopted or the description of machinery made use of, and partly in consequence of the greater or lesser quantity of saccharine matter contained in beet-root grown in different soils, and under different conditions as regards climate

generally, or the weather which may have prevailed during particular seasons.

In some manufactories, especially in Wurtemberg and Baden, the system has been introduced of subjecting the beet root to a process of artificial drying, previous to using it in the sugar manufactory.

When the duty on the manufacture of beet-root sugar was first imposed, the rule was laid down that one Zollverein cwt. of root thus dried should be considered, for the purposes of taxation, as equal to $5\frac{1}{2}$ Zollverein cwts. of fresh root; but, in the year 1860, this proportion was lowered to 1 equal to 5, and in 1862 it was further reduced to 1 equal to $4\frac{3}{4}$.

The question of a drawback, to be allowed on the exportation of beet-root sugar, manufactured within the territory of the Customs Union, was raised soon after the duty on the manufacture was imposed; but it was only in the year 1861 that an agreement was come to on this subject by the representatives of the different Union States according to this agreement, the drawback was fixed (from the 1st of September 1861) as follows, viz., 2 Prussian dollars and $22\frac{1}{2}$ silver-groschen per Zollverein cwt. on raw or moist sugar; and 3 Prussian dollars 10 silver-groschen per Zollverein cwt. on loaf sugar (whether in loaves or powdered), or candy-sugar; but it was provided that a drawback should only be allowed on the former (raw sugar), when exported in quantities of not less than 30 Zollverein cwts., and, on the latter, when in quantities of not less than 10 Zollverein cwts.

By a subsequent arrangement, entered into in the month of May 1865, it was agreed that after the 1st of September, 1866, the rates of drawback should be raised respectively to 2 dollars 26 silver-groschen, and 3 dollars 15 silver-groschen per Zollverein cwt.

The following Table shows the number of beet-root manufactories in operation in the States of the Zollverein, in each year from 1840-41 to 1864-65, as well as the quantity of beet-root employed, and gives an estimate of the raw sugar manufactured. It likewise states, separately, the extent to which the manufacture was carried on in Prussia; but it may be as well to observe that in this, as in other returns referred to, the term Prussia includes the following minor States or districts, which are connected with Prussia by a special union in matters concerning

manufactures, &c.,—these are, the Anhalt Duchies, the Grand Duchy of Saxe Weimar, the Districts of Allstedt and Oldisleben, and the Principality of Schwarzburg-Rudolstadt.

Year.	Number of Manufactories.	Beet-root consumed.	Estimate of Raw Sugar Manufactured.
		Zoll. Cwt.	Zoll. Cwt.
1840–41	145	4,829,734	241,487
Whereof in Prussia ..	102	3,600,272	180,014
1841–42	135	5,131,516	256,576
In Prussia	98	3,796,276	189,814
1842–43	98	2,475,745	123,787
In Prussia	73	2,060,700	103,035
1843–44	105	4,349,667	217,483
In Prussia	79	3,830,345	191,517
1844–45	98	3,890,404	194,520
In Prussia	77	3,382,692	169,135
1845–46	96	4,455,092	222,755
In Prussia	77	3,879,555	193,978
1846–47	107	5,633,848	375,590
In Prussia	86	4,968,587	331,239
1847–48	127	7,676,772	511,785
In Prussia	107	6,600,597	440,040
1848–49	145	9,896,718	659,781
In Prussia	125	8,628,509	575,234
1849–50	148	11,525,671	768,378
In Prussia	127	9,361,886	624,126
1850–51	185	14,788,794	985,853
In Prussia	162	12,609,863	840,657
1851–52	235	18,381,411	1,225,427
In Prussia	203	16,210,599	1,080,706
1852–53 . ..	238	21,717,096	1,447,806
In Prussia	206	18,493,908	1,232,927
1853–54	227	18,469,890	1,231,326
In Prussia	198	15,788,440	1,052,563
1854–55	222	19,188,402	1,279,227
In Prussia	192	16,400,627	1,093,375
1855–56	216	21,839,799	1,747,184
In Prussia	188	18,628,297	1,490,264
1856–57	233	27,551,208	2,204,096
In Prussia	201	23,579,905	1,886,392
1857–58	249	28,915,134	2,313,210
In Prussia	214	24,947,388	1,995,790
1858–59	257	36,668,557	2,933,484
In Prussia	216	31,600,307	2,528,024
1859–60	256	34,399,317	2,751,945
In Prussia	221	29,594,342	2,367,547
1860–61	247	29,354,032	2,348,322
In Prussia	213	25,454,426	2,036,354
1861–62	247	31,692,394	2,535,392
In Prussia	215	28,480,887	2,278,471

Year.	Number of Manufactories.	Beet-root consumed.	Estimate of Raw Sugar Manufactured.
		Zoll. Cwt.	Zoll. Cwt.
1862-63	247	36,719,248	2,937,540
In Prussia	216	31,783,078	2,542,646
1863-64 .. .	253	39,921,220	3,193,697
In Prussia	224	34,187,291	2,734.983
1864-65	270	41,641,221	3,331,297
In Prussia	234	35.823.805	2,865,904

As will be seen by this Return, the total number of manufactories increased during the period between the years 1840 and 1865 from 145 to 270, or at the rate of 86 per cent; but it was in Prussia exclusively that this increase occurred, the number of manufactories in that Kingdom having been only 102 in 1840, and having risen to 234 in 1864, whilst the number of those in all the other States of the Zollverein, so far from increasing, during the same period, fell from 43 to 36.

But great as was the increase in the aggregate number of manufactories during the twenty-four years above referred to, it was but inconsiderable when compared with the enormous extent to which the consumption of beet-root increased; for whilst the 145 manufactories at work in 1840-41, employed in that year only 4,829,734 Zollverein cwts. of root, being at the rate of 33,308 Zollverein cwts. for each manufactory, the 270 manufactories in operation in 1864-65 consumed 41,641,221 Zollverein cwts., being at the rate of 154,226 Zollverein cwts. each; the average annual consumption of beet-root by each manufactory, having, consequently, been nearly quintupled in the course of those twenty-four years. In certain individual years of the twenty-four in question, as, for instance in 1853, 1854, and 1860, it will be observed that there was a considerable falling off in the aggregate quantity consumed; but this, it appears, was solely the result of a partial failure in the beet-root crop of that year.

The quantity of raw sugar manufactured increased, according to the foregoing Table, in the proportion of about 1 to $13\frac{3}{4}$ between the years 1840-41 and 1864-65, this increase being relatively much greater than that of the beet-root employed.

It is, however, to be observed that this quantity of

raw sugar returned as having been produced is only the result of an approximative calculation based upon an estimate, varying at different periods according to the state of perfection to which the process of manufacturing was presumed to have been brought. Thus for the period between the years 1840-41 and 1845-46 the proportion assumed in the compilation of the foregoing Return was that of 1 Zollverein cwt. of raw sugar to 20 Zollverein cwts. of root, or 5 per cent.; from 1845-46 to 1854-55, 1 to 15, or $6\frac{2}{3}$ per cent.; and for the remainder of the period to which the Table refers, 1 to $12\frac{1}{2}$, or 8 per cent.

But there is reason to believe that these estimates are below the real rate of production, and that the quantity of raw sugar actually manufactured during the twenty-four years in question was considerably larger than that stated in this Return; and at the present time the average yield of raw sugar at the manufactories of the Zollverein States is considered to be very nearly at the rate of 1 Zollverein cwt. to every 10 Zollverein cwts. of beet-root.

It will have been seen that the great majority of the sugar manufactories existing in the Zollverein States are established in Prussia. The provinces of that kingdom in which there is the largest number are Prussia, Saxony, and Silesia, the soil and general agricultural conditions of which are especially favourable to the cultivation of beet-root.

In the year 1862-63 there were in the province of Saxony (Magdeburg) 121 manufactories in operation, with an annual consumption of 19,081,384 Zollverein cwts. of beet-root; in 1863-64, 124 manufactories, consuming 20,829,352 Zollverein cwts.; and in 1864-65, 131 manufactories, consuming 20,735,918 Zollverein cwts.

In that province alone, therefore, were established nearly one-half of the total number of manufactories existing in the whole of the Zollverein States, and their consumption of root exceeded half of the entire quantity employed by the manufactories of the whole Union.

The manufacture of beet-root sugar is also carried on upon an extensive scale in the Duchies of Anhalt and Brunswick, and in the Grand Duchy of Baden; and though in the latter State there is only one manufactory, namely, that at Waghaeusel, it is the largest establishment of the kind in the States of the Zollverein.

Its consumption of beet-root was :—

	Zoll. Cwt.
In 1862–63	1,036,945
1863–64	1,144,472
1864–65	1,085,371

The annexed Table gives a precise Return of the extent of the manufacture in each of the several Zollverein States in which it has been introduced during the three fiscal years 1862-63, 1863-64, and 1864-65 :—

1862-63.

States.	Number of Manufactories.	Beet-root used.	Raw Sugar Manufactured.
		Zoll. Cwt.	Zoll. Cwt.
Prussia, including Duchies of Saxe Weimar, Anhalt, and Schwarzburg, &c.	216	31,783,078	2,542,646
Bavaria	6	399,470	31,958
Saxony	1	73,170	5,854
Hanover	1	125 955	10,076
Wurtemberg	6	1,014 479	81,158
Baden..	1	1,036.945	82,956
Thuringian States ..	2	221,067	17,686
Brunswick	14	2,065,084	165,206
Total	247	36,719,248	2,937.540

1863-64.

States.	Number of Manufactories.	Beet-root used.	Raw Sugar Manufactured.
		Zoll. Cwt.	Zoll. Cwt.
Prussia, &c. .. .	221	34,187,291	2,734.983
Bavaria	6	422,444	33,796
Saxony	1	80,070	6,406
Hanover	1	142,455	11.396
Wurtemberg	6	1,256,988	100,559
Baden..	1	2,144,472	91.558
Hesse Cassel	1	17,359	1,388
Thuringian States .	2	245,510	11,641
Brunswick	14	2,424,631	193,970
Total	253	39,921,220	3,193,697

1864-65.

States.	Number of Manufactories.	Beet-root used.	Raw Sugar Manufactured.
		Zoll. Cwt.	Zoll. Cwt.
Prussia	234	35,823,805	2,865,904
Bavaria	6	363,071	29,046
Saxony	1	84,401	6,752
Hanover	1	126,020	10,081
Wurtemberg	6	1,104,423	88,354
Baden	1	1,085,371	86,830
Hesse Cassel	1	29,376	2,350
Thuringian States ..	2	211,056	16,884
Brunswick	18	2,813,698	225,096
Total	270	41,641,221	3,331,297

As regards Bavaria it will be seen by the foregoing statement that, between the years 1862 and 1865, the manufacture remained about stationary; and it is certain that, from one cause or another, it has never fairly taken root in this country, the chief obstacle thereto being, as I am assured, an indisposition on the part of the peasant proprietors (a very numerous class) to depart from the routine system of crops, as generally adopted in Bavaria, and to enter upon the cultivation of beet-root on an extensive scale, without, perhaps, any very secure guarantee of the success of the sugar manufactories, and, consequently, of the permanency of the change to be made in their system of husbandry.

In several provinces of this kingdom, especially in those of Upper and Lower Bavaria, the soil is particularly well-adapted to the growth of wheat and other grain, and crops of this description are there grown on a very extensive scale and to great advantage to the cultivators. In those districts it would, therefore, naturally be especially difficult to induce the landowners or farmers to adopt the cultivation of beet-root on a sufficiently large scale to supply the requirements of sugar manufactories.

But I am informed that, with the view of encouraging the cultivation of this plant, and of thereby preparing the way for an increase in the manufacture of beet-root sugar in Bavaria, the Agricultural Society has lately offered annual prizes to the growers of the best specimens of the root, and a special reduction has been made in the tariff of charges for the conveyance of beet-root both on the

Government railways and on those of the Eastern Company of Bavaria.

I understand, too, that the proprietors of the two sugar manufactories at Ratisbon and at Puch-hof (the only establishments of the kind in Bavaria Proper) are making efforts to induce the farmers of that neighbourhood and in the Bavarian Valley of the Danube generally, to extend the cultivation of beet-root, and have with this object provided them with instructions as to the most approved method of growing it, and have undertaken to purchase at a fixed price as much beet-root as can be delivered at their manufactories; and, at the same time, to return, free of charge for carriage to each of the several farmers, the residuum of the beet-root delivered by them, after it has gone through the sugar manufacturing process, such residuum being, as is well known, an excellent article of food for cattle.

According to an official return which I have obtained, respecting the manufacture of beet-root sugar in Bavaria during the year ended August 31st, 1867, it appears that the number of manufactories at work has diminished to four; namely, one at Ratisbon, one at Puch-hof, in Lower Bavaria (both belong to the same proprietors), and two in the Bavarian Palatinate, on the left bank of the Rhine. It would seem, however, that though the number of manufactories has been reduced by two, the operations of these establishments are on the increase; for whilst, according to the foregoing Return for the year 1864-65, the six manufactories then at work, only consumed 363,071 Zollverein cwts. of beet-root, the four manufactories in operation in 1867 are stated, in the return which I have procured, to have consumed 548,030 Zollverein cwts. during the twelve months ended August 31st of that year. This quantity would represent at the rate, which is, I am informed, generally assumed at the Bavarian manufactories, of 8 Zollverein cwts. of raw sugar to 100 Zollverein cwts. of beet-root, a total production of 43,840 Zollverein cwts. of raw sugar. The entire consumption of beet-root by all the manufactories, 296 in number, of the Zollverein States during those twelve months (1866-67) was, according to the official Return, 50,712,709 Zollverein cwts. which, at the proportion of 10 per cent., assumed as the present aggregate average of production for the manufactories of the

whole Zollverein, would give a total yield of 5,071,270 Zollverein cwts. of raw sugar.

Bavaria, therefore, only produced in 1866-67, somewhat less than one-hundredth part of the entire quantity of raw sugar manufactured in the Zollverein States, although her population constitutes about one-seventh of the whole population of those States.

It has already been stated that it was not until the commencement of the year 1844-45, that the uniform Excise duty imposed in 1841 on the manufacture of beet-root sugar in the Zollverein States, became an universal Customs Union Tax, levied for the benefit of the general exchequer of the Union; each State, having, up to that date, collected the duty in its own territory for its own individual benefit.

The return of the gross produce of this duty in the whole Union from each year from 1844-45 to 1864-65 is as follows:—

	Prussian dollars.		Prussian dollars.
1844-45	.. 194,520	1855-56	.. 4,367,960
1845-46	.. 222,755	1856-57	.. 5,512,883
1846-47	.. 281,699	1857-58	.. 5,788,487
1847-48	.. 382,658	1858-59	.. 9,166,610
1848-49	.. 494,844	1859-60	.. 8,599,294
1849-50	.. 576,283	1860-61	.. 7,345,707
1850-51	.. 1,476,744	1861-62	.. 7,904,730
1851-52	.. 1,838,198	1862-63	.. 9,179,813
1852-53	.. 2,171,738	1863-64	.. 9,976,099
1853-54	.. 3,694,381	1864-65	.. 10,410,392
1854-55	.. 3,838,225		

The annual receipts, consequently, increased in the course of the twenty years in question, from 194,520 to 10,410,392 Prussian dollars, or in the proportion of 53 to 1.

On the other hand, as the Returns under this head increased, the amount of import duty levied on foreign sugar declined from year to year, having diminished from 6,735,553 Prussian dollars in 1841 to 1,086,997 in 1864. In the same manner, as the number of manufactories of beet-root sugar increased, that of the refineries of West Indian sugar was reduced; and out of the eighty-six establishments of the latter description which were in operation in the Zollverein States in the year 1835, but a very small number now exists.

The expenses incurred for the necessary supervision of the beet-root sugar manufactories by the Excise authorities

of the Customs Union, with a view to the collection of the duty, were, in the first instance, very considerable in proportion to the small amount yielded by the duty. This arose, in a great measure from the fact that, as the manufacturing operations were carried on both by day and night, and a constant watch had to be kept over them, it was found necessary to station from three to five excise-men at each manufactory. But in the same ratio as the rate of duty was raised, and the scale on which the operations of the manufactories were carried on increased, the relative expenses of supervision diminished.

This will be seen by the following statement of the amount of those expenses for each of the twenty-one years from 1844-45 to 1864-65 inclusive :—

	Prussian dollars.	
1844–45	34,177 = $17\frac{5}{10}$	per cent. on amount of duty levied
1845–46	34,707 = $15\frac{6}{10}$	ditto.
1846–47	38,354 = $13\frac{6}{10}$	ditto.
1847–48	48,812 = $12\frac{7}{10}$	ditto.
1848–49	58,974 = $11\frac{9}{10}$	ditto.
1849–50	63,508 = 11	ditto.
1850–51	83,558 = $5\frac{6}{10}$	ditto.
1851–52	114.652 = $6\frac{9}{10}$	ditto.
1852–53	128,314 = $5\frac{9}{10}$	ditto.
1853–54	129,217 = $3\frac{5}{10}$	ditto.
1854–55	167.913 = $4\frac{4}{10}$	ditto.
1855–56	182.280 = $4\frac{1}{10}$	ditto.
1856–57	197,647 = $3\frac{6}{10}$	ditto.
1857–58	216,215 = $3\frac{7}{10}$	ditto.
1858–59	249,386 = $2\frac{7}{10}$	ditto.
1859–60	268,139 = $3\frac{1}{10}$	ditto.
1860–61	274,413 = $3\frac{7}{10}$	ditto.
1861–62	273,767 = $3\frac{5}{10}$	ditto.
1862–63	276,914 = 3	ditto.
1863–64	284,399 = $2\frac{8}{10}$	ditto.
1864–65	301,131 = $2\frac{9}{10}$	ditto.

Thus, in twenty years the expenses under this head were reduced from 17·5 to 2·9 per cent. on the gross proceeds of the duty.

The amount paid annually by the Customs Union Exchequer for drawback on beet-root sugar manufactured in, and exported from the States of the Union during the four years following the period at which the system of drawbacks came into force, varied very considerably, as will be seen by the following Return :—

	Prussian dollars.
1861–62	102,089
1862–63	46,617
1863–64	563,627
1864–65	224,810

But since the latter of these years the exportation

appears to have increased enormously, as according to the Official Return for the year 1866, the sum paid as drawback on beet-root sugar and treacle exported from the Zollverein during that year, was no less than 2,168,968 Prussian dollars.

The aggregate net amount yielded (after deduction of expenses of supervision and drawback paid) by the duty on the manufacture of beet-root sugar in the Zollverein States during the twenty-one years from 1844-45 to 1864-65, was 89,060,398 Prussian dollars, which sum fell to the share of the different States of the Union at the general annual division of the revenues, in the following proportions:—

	Per cent.
To Prussia	$52\frac{17}{100}$
Luxemburg	$0\frac{57}{100}$
Bavaria	$13\frac{34}{100}$
Saxony	$6\frac{10}{100}$
Hanover	$7\frac{60}{100}$
Wurtemberg	$4\frac{24}{100}$
Baden	$3\frac{89}{100}$
Hesse Cassel	$2\frac{5}{100}$
Hesse Darmstadt	$2\frac{50}{100}$
Thuringian Duchies	$3\frac{2}{100}$
Brunswick	$0\frac{72}{100}$
Oldenburg	$0\frac{96}{100}$
Nassau	$1\frac{27}{100}$
Frankfort	$0\frac{87}{100}$

Professor Dietrici, whose writings have already been referred to, estimates the annual consumption of Colonial sugar in the Zollverein States, to have been in 1836, at the rate of 4·17 Zollverein lbs. per head of the population; in 1837, 3·37 Zollverein lbs; in 1838, 4·45 Zollverein lbs., and in 1839, 4·61 Zollverein lbs. And although the manufacture had already come into existence in the States of the Zollverein at the period referred, the quantity produced was still so small as to be scarcely worth taking into consideration.

Professor Dietrici's calculation, therefore, though only referring to Colonial sugar, may fairly be taken, if in no other respects accurate—as representing within a mere fraction, the entire consumption of the population for each of the three years in question.

From a calculation based upon an elaborate subsequent return—extending the year 1840 to 1864 inclusive—of the quantity of sugar imported into, or manufactured in

the Zollverein States; of the quantity exported, and of that which remained for home consumption, it would appear that during that period there was a steady augmentation almost year by year in the quantity of sugar consumed, the average consumption per head of the population having increased from 4·69 Zollverein lbs. in 1840 to 9·29 Zollverein lbs. in 1864, and having in two individual years of that period, namely, 1858 and 1863, reached 10·15 Zollverein lbs. and 10 Zollverein lbs. per head, respectively.

This very considerable increase is no doubt chiefly attributable to the great reduction in the price of this commodity which followed the development of the manufacture of beet-root sugar, and which placed that, which had previously been considered almost an article of luxury, more or less within the reach of all classes; for, whilst the price of loaf sugar in the Zollverein States previous to the year 1836, had varied from 28 to 30 Prussian dollars per Zollverein cwt., it has in latter times fallen to about 16 to 18 dollars.

Independently of the sugar manufactured from beet-root, a certain quantity is also made every year from potatoes in the Zollverein States. But as the manufacture of the latter description of sugar is not subjected to any tax, there are no precise returns as to the extent to which it is carried on.

Establishments for the manufacture of potato sugar exist in Prussia, and in the Grand Duchy of Hesse Darmstadt; and it is believed that the demand for this article is on the increase, for it is well known that sugar of this description has long been employed with advantage by the wine-growers of France, as an ingredient in the preparation of their produce, and this system has lately been introduced in the wine-growing districts in the neighbourhood of the Rhine, and in other parts of Germany.

In connexion with the foregoing details relative to the manufacture, taxation, and consumption of beet-root sugar in the States of the German Customs Union, the following particulars respecting the import and export of refined and raw sugar, and of treacle, may not be uninteresting.

The import duties on sugar, as settled by the Zollverein Tariff of 1861 (which is still in force) are as follows :—

	Per Zoll. cwt. P.	d.	sgr.
On refined or loaf sugar and on candy sugar ..		7	10
On raw or moist sugar (for consumption)		6	0
On raw sugar imported for the use of refineries established in the Zollverein States		4	7½
On treacle		2	15

The importation of fine and candied sugar was formerly a very extensive one; for instance, in 1836, it amounted to 30,387 Zollverein cwts., and in 1838 to 40,946 Zollverein cwts. But since the latter year it has continued to decline steadily, the foreign product (which previous to the year 1861 paid an import duty of 10 Prussian dollars per Zollverein cwt.), having been less able from year to year to compete with the home-made beet-root sugar. The yearly average importation (derived chiefly from Holland, Bremen, and Hamburgh) during the period between the years 1842 and 1846 was 3,102 Zollverein cwts.; whilst the average from 1860 to 1864 was only 2,217 Zollverein cwts.

As regards the export of sugar from the Zollverein States, this consisted, till within the last few years, chiefly of loaf sugar produced from Colonial raw sugar at the refineries established in these States, and on the exportation of which a drawback was allowed proportionate in amount to the duty paid on the importation of foreign raw sugar; but since the period at which the system of drawbacks was made to extend to the exportation of home-made beet-root sugar (1861), a certain quantity of the latter article in the refined state has been exported.

The average annual rate of exportation of refined sugar of both descriptions during the period between 1842 and 1864 inclusive, was as follows :—

	Zoll. cwt.
From 1842 to 1846	71,230
1847 1850	151,537
1851 1854	155,596
1855 1859	115,569
1860 1864	39,395

and the quantity exported during the last-named of this series of years (1864), actually fell as low as 8,408 Zollverein cwts., of which 3,328 Zollverein cwts. were sent to Russia and Poland, 775 Zollverein cwts. to Austria, 1,526 Zollverein cwts. to Switzerland, 322 Zollverein cwts. to France, 167 Zollverein cwts. to Belgium, 256 Zollverein

cwts. to Holland, 136 Zollverein cwts. to Bremen, 882 Zollverein cwts. to Hamburgh, and 980 Zollverein cwts. to Mecklenburg.

The quantity of refined sugar which passes in transit through the Zollverein States, is very considerable. In the year 1843, it amounted to 134,815 Zollverein cwts; in 1848, to 83,506 Zollverein cwts.; in 1854, to 63,981 Zollverein cwts.; and in 1864, to 150,425 Zollverein cwts. Of the latter quantity, 69,002 Zollverein cwts. passed through the Zollverein territory on its way from one part to another of the Austrian dominions; 13,086 Zollverein cwts. from Belgium to France; 11,428 Zollverein cwts. from Holland to Switzerland and France; 5,384 Zollverein cwts, from Hamburgh to Russia and Austria; and 41,155 Zollverein cwts. from different parts on the Baltic, to Russia and Poland.

As already stated, two different rates of duty are levied under the Zollverein Tariff on the importation of foreign raw sugar, namely, 4 dollars $7\frac{1}{2}$ silver-groschen per Zollverein cwt. on raw sugar imported for the purpose of being refined in the sugar houses of the Zollverein States; and 6 Prussian dollars per Zollverein cwt. on that imported for other uses. But it may be observed, that the quantity imported under the latter condition is so inconsiderable as scarcely to be worth taking into account.

As regards raw sugar, the following Return shows the extent of the importation and exportation during the twenty-three years between 1842 and 1864:—

	Importation.	Exportation.		Importation.	Exportation.
	Zoll. cwt.	Zoll. cwt.		Zoll. cwt.	Zoll. cwt.
1842	1,133,770	26	1854	746,977	108
1843	1,253,536	24	1855	908,454	316
1844	1,343,831	15	1856	699,093	569
1845	1,409,212	235	1857	340,059	314
1846	1,358,809	56	1858	526,908	540
1847	1,410,899	350	1859	230,172	57
1848	1,284,691	99	1860	78,900	22
1849	1,211,356	26	1861	130,793	4,692
1850	1,051,500	2,488	1862	464,937	33,701
1851	779,610	3,992	1863	431,280	101,788
1852	801,855	52	1864	251,666	148,266
1853	774,969	518			

It will be seen by this Return, that since the year 1850, when the manufacture of beet-root sugar began to assume

the really important position which it has now acquired in the Zollverein States, the annual importation of foreign raw sugar has gone on steadily diminishing, having declined from 1,000,000 Zollverein cwts. in that year to 250,000 in 1864.

On the other hand, from the year 1861, when the system of drawbacks on the exportation of home-made beet-root sugar was established, a rapid increase took place in the quantity of raw sugar exported; in fact, the export trade in this product may be said to have come into existence in that year. The chief countries to which the Zollverein States send raw sugar, are Great Britain, France, Holland, Schleswig-Holstein and Mecklenburg.

Treacle forms an important article of trade in the States of the Zollverein, being made use of both as a substitute for sugar, and for several purposes connected with manufactures. Two different descriptions are known, namely, that produced in the process of refining Colonial sugar, which is used chiefly for domestic consumption,—and that extracted from beet-root, which is extensively employed for distilling alcohol, for purposes connected with different dyeing operations, and also to some extent for mixing with the treacle produced from Colonial sugar. The demand for treacle for home consumption in the Zollverein States was supplied almost exclusively by the home refineries of Colonial sugar, so long as those establishments continued to flourish, and very little was imported from abroad. But since the great decline in the sugar refining industry which, as already stated, kept pace with the development of the manufacture of beet-root sugar, the importation of Colonial treacle has greatly increased, that produced from beet-root not being adapted to those domestic uses for which Colonial treacle is employed. Between the years 1842 and 1864, the average yearly importation and exportation of treacle was as follows:—

	Importation.	Exportation.
	Zoll. cwt.	Zoll. cwt.
From 1842 to 1846 ..	9,042	2,267
1847 1850 ..	1,010	5,772
1851 1854 ..	24,157	3,191
1855 1849 ..	46,990	43,924
1860 1864 ..	89,653	124,916

Hamburgh and Bremen are the localities whence the

largest quanties are imported, extensive refineries of Colonial sugar being established in the neighbourhood of those cities. A considerable quantity also comes from Stettin, which is an important depôt for Colonial treacle imported from England, France, and Denmark.

The large quantity of treacle exported from the Zollverein between the years 1855 and 1864, consisted almost exclusively of that produced from beet-root, and was sent chiefly to Bremen and Hamburgh, and to some of the Baltic ports.

The transit of treacle through the Zollverein States is very considerable. In the year 1864, nearly 44,000 Zollverein cwts. passed through, chiefly from Poland, Hamburgh, and Bremen; and of this quantity 29,281 Zollverein cwts. was destined for the Austrian States.

Coffee.

Since foreign sugar ceased to be an important article of importation into the Zollverein States, coffee has been that which yielded the largest amount of import duty. In the year 1841 this duty produced 4,522,759 Prussian dollars, or rather more than 20 per cent. of the total receipts of the Zollverein States from Customs duties; and in 1864, 6,994,045 Prussian dollars, or about 30 per cent. of the receipts.

In the original Customs Tariff of the Zollverein, the import duty on raw coffee was fixed at 6 Prussian dollars and 20 silver-groschens per Zollverein cwt.; in 1840, it was reduced by 5 silver-groschens per Zollverein cwt.; and on the accession of Hanover and Oldenburg to the Customs Union on the 1st of January, 1854, this duty was further reduced to 5 Prussian dollars per Zollverein cwt., which rate has been retained up to the present time.

The States of the Zollverein derive their supplies of coffee almost exclusively through Holland, Hamburgh, Bremen, and some of the German ports on the Baltic, about one-half of the total importation coming from Holland.

Previous to the year 1858, no detailed record was kept of the quantity of coffee imported from each of these several countries or cities, the gross total only appearing in the official Returns published up to that time. But since that year a detailed account has been kept of the imports of coffee from each country, and the following Return

shows the extent of the importation, and the source whence it came, for each year from 1858 to 1864 inclusive:—

From Holland.	Zoll. cwt.	*From Hamburgh.*	Zoll. cwt.
1858	577,722	1858	362,420
1859	547,400	1859	366,051
1860	604,513	1860	380,837
1861	713,870	1861	344,464
1862	641,214	1862	383,237
1863	639,515	1863	375,130
1864	679,714	1864	422,499
From Stettin, Dantzic, Pillau, &c.		*From Bremen.*	
1858	193,482	1858	108,068
1859	190,548	1859	99,687
1860	307,358	1860	69,047
1861	243,825	1861	76,339
1862	158,261	1862	62,427
1863	188,684	1863	53,896
1864	146,853	1864	52,863

The importation from Holland and Hamburgh, therefore, increased in the course of the seven years above specified, in the proportion of 18 and 16⅔ per cent. respectively; whilst that from the Baltic ports and Bremen diminished at the rate of 24 and 51 per cent.

With reference to the aggregate import of coffee from all quarters, it amounted in the year 1842 to 713,967 Zollverein cwts., and during the following fifteen years it increased steadily, having in 1857 reached 1,220,708 Zollverein cwts.; from 1858 to 1864 the quantity and the value of the coffee imported was as follows:—

	Quantity.	Value.
	Zoll. cwt.	Prussian dols.
1858	1,342,628	24,167,304
1859	1,265,203	22,773,654
1860	1,309,277	23,566,986
1861	1,449,555	26,091,990
1862	1,348,288	24,269,184
1863	1,336,079	24,049,422
1864	1,398,837	25,179,066

The Customs receipts for duty on coffee imported amounted in 1842 to 4,638,933 Prussian dollars, and in 1857 to 6,101,912 Prussian dollars. In the year 1864 they had increased to 6,994,045 Prussian dollars, or at the rate of about 50 per cent., as compared with the receipts

of 1842, although, as already stated, the import duty was lowered in 1854 from 6½ Prussian dollars to 5 Prussian dollars per Zollverein cwt. The immediate result of this reduction was to increase the importation from 945,905 Zollverein cwts. in 1853, to 1,116,107 Zollverein cwts. in 1854, the sum received as import duty during those two years having been 5,175,872 Prussian dollars, and 5,579,085 Prussian dollars respectively.

There are no Returns on which to form a correct estimate of the quantity of coffee re-exported from the States of the Zollverein, as all substances made use of as substitutes for, or for mixing with, coffee—such as chicory—are entered on the export lists of the Zollverein as coffee. But there is reason to believe that coffee is re-exported to a small extent only, and that a very considerable proportion, if not the whole, of what appears as coffee on those lists consists in reality of chicory, the cultivation of which is extensively carried on in the Prussian Provinces of Silesia and Saxony (Magdeburg), and large quantities of which are exported in the dry state, and, as a substitute for coffee, to Switzerland, Hamburgh, Russia, and Austria. The export under the head of coffee, and substitutes for coffee, amounted in 1842 to 56,028 Zollverein cwts., and it subsequently increased, if not steadily year by year, still with tolerable regularity, until it reached in 1862 the very large quantity of 119,820 Zollverein cwts.; in the year 1863, it was 111,669 Zollverein cwts.; and 91,760 Zollverein cwts. in 1864. Chicory and other substitutes for coffee are not imported into the Zollverein States.

The quantity of coffee passing through the Zollverein in transit to other countries averaged, from 1858 to 1864, about 400,000 Zollverein cwts., of which about 300,000 Zollverein cwts. was destined for Austria, and about 15,000 Zollverein cwts. for Russia, the remainder chiefly for Switzerland and France.

Assuming that the whole quantity of coffee imported is consumed in the Zollverein States, the average annual consumption per head of the population would have been, at different periods between 1842 and 1864, as follows;—in 1842, 2·59 Zollverein lbs.; in 1852, 3·17 Zollverein lbs.; in 1862, 3·88 Zollverein lbs.; and in 1864, 4·03 Zollverein lbs.; having consequently increased in the course of twenty-two years to the extent of rather more than 55 per cent., notwithstanding the fact that during

the same period a progressive rise took place in the price of coffee in Germany, and that in 1864 the cost was from 70 to 80 per cent higher than it had been in 1842.

Tea.

The use of tea is but little known amongst the population at large of Germany, and it may be said to be confined almost exclusively to the upper classes. The official statements of the account of tea imported into, and exported from, the Zollverein States, show such fluctuations that it is difficult to base upon them any estimate as to the actual average quantity consumed by the whole population; but the compiler of the work from which these details are taken, states his belief that that quantity does not exceed 1 Zollverein loth (a trifle over half an English ounce) for each person in the course of the year. In England the present annual consumption is stated to be rather more than 3 lbs. per head of the population.

The following is a Return of the imports and exports of tea in the Zollverein States at different periods between the years the 1842 and 1864 :—

	Imported.	Exported.	Remaining for Consumption.
	Zoll. cwts.	Zoll. cwts.	Zoll. cwts.
1842	3,385	841	2,544
1847	4,793	1,653	3,140
1852	19,517	14,903	4,614
1855	47,571	29,304	18,267
1857	28,407	19,422	8,985
1864	14,268	3,791	10,477

Until the year 1854 the import duty on tea was 11 Prussian dollars per Zollverein cwt.; but in that year it was reduced to 8 Prussian dollars, and the result was an increase in the importation from 17,502 Zollverein cwts. in 1853, to 32,095 Zollverein cwts. in the year following. But this rate of increase was only maintained for one year more, after which the importation began to diminish, and, as stated above, fell to 14,268 Zollverein cwts. in 1864. Of the quantity imported in that year into the Zollverein 1,697 Zollverein cwts. came from Holland; 2,602 Zollverein cwts. from Hamburgh; 1,489 Zollverein cwts. from Bremen; 2,266 Zollverein cwts. from other German ports

on the North Sea, and 3,054 Zollverein cwts. from Baltic ports. The sum derived by the Zollverein Exchequer from duty on tea imported during the year 1864 was 114,136 Prussian dollars.

Very large quantities of tea are sent through the Zollverein States in transit to other countries, chiefly from Hamburgh to Russia. In the year 1864, the quantity which passed through on its way to that country, was no less than 101,726 Zollverein cwts., being about 90 per cent. of the whole transit trade in tea across the States of the Zollverein.

(Signed) H. P. FENTON.

Austria.

Report by Mr. Bonar, Her Majesty's Secretary of Embassy, on the Commerce, Industry, &c., of Austria.

Vienna, July 10, 1868.

Foreign Commerce.

The total value of the exports and imports of the Austrian dominions, inclusive of Hungary, during the year 1867, according to the latest official Statistical Returns, as compared also with the preceding twelvemonth, was as follows:—

	1867.	1866.	Increase in 1867.
	Florins.	Florins.	Florins.
Imports	300,425,954	233,073,314	67,352,640
Exports	420,452,244	371,208,065	49,244,179
Total	720,878,198	604,281,379	116,596,819

Or, after deduction of the traffic in the precious metals, and in gold and silver coins—

	1867.	1866.	Increase in 1867.
	Florins.	Florins.	Florins.
Imports	276,280,314	208,086,806	68,193,508
Exports	400,858,568	326,347,068	74,511,500
Total ..	677,138,882	534,433,874	142,705,008

The above considerable and satisfactory results are to be attributed to the return of the foreign commerce of the country to the habitual channels and relations from which it had been forcibly diverted by the war and disasters of 1866, to the bountiful harvest of last year, and to the consequent increased power of consumption, and revival of many branches of industry.

The large increase just exhibited is still further enhanced if it be remembered that in 1867 the rich province of Venetia had fallen away, and that although a considerable revival of commerce and enterprise is already observable since the war, these were still, to a great degree, fettered and impeded by the commercial negotiations and Tariff reductions pending both with the Zollverein and with Great Britain.

We find by the foregoing Tables an excess of exports over imports in the past year amounting to a value of 120,026,290 florins; and exclusive of the precious metals, of 124,578,254 florins. This is especially owing to the enormous exportation of grain during the autumn of 1867, principally to France, which followed upon the remarkable harvest of that year.

Detailed Returns of the various items, both of export and import, will be given further on. By a careful comparison of the Tables of 1866 and 1867, an increase in favour of the latter period will be observable in the *imports* of coffee, spices, southern fruits, raw tobacco, fresh fruit, wheat, rice, oil-seeds, horned cattle, skins and hides, greases, tallow, finer sorts of wine in cask, bread, preserved fruits, wood for fuel and for building, coal and lignite, meerschaum, minerals, stuffs for dyeing and tanning, gums and resins, mineral waters, brimstone, sulphuric and other acids, soda, chloride of lime, raw lead and iron, common iron castings, raw copper, half manufactures of iron and lead, gold and silver, gold coins, cotton, flax, hemp, wool, silk, cotton-, linen-, and woollen-yarns, woven goods, wares of bristles, bast, rush, and grass, paper and paper-wares, leather-, wood-, glass-, stone-, earthen-, and metal-wares, railway carriages, musical instruments, machinery, chemicals, soaps, and works of literature and art.

Whilst there was a decrease in the imports of garden plants, rye, meslin, barley, malt, oats, flour and other products of grinding, olive-, rape-, and linseed-oil, Istrian wines, gall-nuts, potash, saltpetre, railway rails, silver coins, leather- and indiarubber-wares, wooden ships, carriages, wax candles, and matches.

Among the *exports* is found a notable increase in sugar, garden and field produce, fish, bulls and oxen, cows, bullocks and heifers, sheep and goats, pigs, horses, honey, cheese, beer, spirituous liquors, wine, wood for fuel, coal

and charcoal, dye-stuffs and accessories for chemical purposes, refined iron, wares of common metals, quicksilver, substances for weaving and for the loom (with the exception of sheep's wool), woven goods (excepting of common silk and woollen), paper and paper-wares, leather- and indiarubber-wares, wooden-, glass-, and earthen-wares, vehicles for land and water, instruments (musical), machinery and small wares, chemical products, works of art and literature, oil-cakes, bones, spodium, cuttings of skins and leather.

Whilst they fell off in southern fruits, powdered sugar, tobacco, rice, mustard seed, calves, lambs and kids, skins and hides, feathers, meat, sausages, wax, grease of various kinds, articles of food, joiners' woods, substances for turning and carving, minerals, medical substances, turpentine-, pitch-, and tar-oil, gums and resins, lead, raw iron, rails for railways, iron castings, copper, brass and tin, silver coins, sheep's wool, linen and woollen yarns, common woollen and silk goods, combustible wares, and rags.

The Customs receipts on the above commerce amounted to—

	1867.	1866.	1867.	
			Increase.	Decrease.
	Florins.	Florins.	Florins.	Florins
Imports	11,310,749	9,541,164	1,769,585	..
Exports	229,068	248,436	..	19,368
Total ..	11,539.817	9,789,600	1,750.217	

The separate Returns for Dalmatia show, for the years 1867 and 1866—

	Value in 1867.	Value in 1866.	Value in 1867.
	Florins.	Florins.	Florins.
Imports	7,484,759	7,508,153	23,394
Exports	4,813,160	5,670,396	857,236
Total	12,297,919	13.178.549	880,630

Whilst the Customs receipts during the same periods amounted to—

	Florins.
1867	223,284
1866	212,508
Increase for 1867	10,776

The falling off in the value of imports was due to a lesser importation chiefly of grain and flour, also of cattle.

That of the exports was chiefly in fish, wine, tallow, olive oil, and sheep's wool.

The increase on the Customs receipts was principally on woven goods.

RETURN of all most important Articles of Import and Export of Austria in the year 1867, as compared with 1866.

Description of Articles.	Imports.		Exports.	
	1867.	1866.	1867.	1866.
1. *Colonial and Tropical Produce.*	Cwts.	Cwts.	Cwts.	Cwts.
Cacao	5,008	4,292	...	...
Coffee	423,648	386,437	2,766	3,189
Spices	36,122	31,444	221	465
Tropical and Southern fruits	293,916	267,304	2,951	8,340
Tea	3,075	2,582	30	49
Sugar, refined	952	1,522	366,217	155,988
Powdered sugar for commerce	167	344	76,741	153,474
„ „ for refining	157	...	464	341
Sugar, syrup or treacle	23,298	20,541	41	66
2. *Tobacco, Raw and Manufactured.*				
Tobacco, in leaf	149,495	87,156	92,000	123,113
„ manufactured	6,892	2,079	1,247	414
3. *Agricultural Produce.*				
Garden plants and fruit, fresh or prepared, and nuts	436,995	475,404	674,773	397,509
Wheat and spelt, husked	783,120	617,094	11,653,745	4,714,224
Rye, muslin, buckwheat, millet, Indian corn, beans, &c.	1,041,323	1,059,107	4,149,250	1,077,143
Barley, malt, oats	267,572	408,146	5,383,430	2,780,071
Rice	252,311	100,498	5,460	15,693
Meal and flour, and other products of grinding	260,031	266,232	2,132,996	1,325,307
Hops	12,581	11,422	40,930	27,115
Oil seeds, as rape, hemp, and linseed, &c.	116,347	84,484	1,111,277	541,136
Clover and other seeds for agricultural and horticultural purposes	34,201	32,157	117,169	118,082
Mustard seed, mustard, aniseed, and cummin	11,791	8,065	2,161	4,497
4. *Animals.*				
Fish, fresh and prepared, salted, dried, smoked, pickled	125,527	77,000	12,255	4,041
Cattle, as—	Head.	Head.	Head.	Head.
Oxen and bulls	68,250	46,189	78,053	73,431
Cows, bullocks, and heifers	18,835	10,904	43,075	41,609
Calves	11,350	7,674	35,068	43,519
Sheep and goats	138,431	49,867	271,463	244,679
Lambs and kids	11,974	2,630	19,648	24,814
Swine	349,024	350,251	232,657	218,425
Sucking pigs	24,960	14,090	17,535	22,307
Horses and foals	6,595	6,313	24,618	13,841
Mules and asses	329	171	199	123
Leeches	3,749,510	2,097,915	589,881	46,084
5. *Animal Products (not contained in other Classes).*	Cwts.	Cwts.	Cwts.	Cwts.
Hides and skins, common, raw, not enumerated, and furs	191,116	134,867	50,434	53,322
Feathers	2,115	1,902	39,776	41,525
Meat and sausages	3,487	2,197	6,343	7,898
Honey	2,980	3,000	6,139	5,058
Wax	2,377	1,038	2,463	4,189
Cheese	13,387	11,563	14,865	11,631
Silkworms' eggs, milk, cream, curd	952	1,248	1,175	993
Animal products, not enumerated	1,982	2,314	3,584	3,132

Description of Articles.	Imports.		Exports.	
	1867.	1866.	1867.	1866.
6. Grease and Oils.	Cwts.	Cwts.	Cwts.	Cwts.
Butter, fresh or melted, hogs' grease, goose fat, bacon, train, stearine, paraffine, &c.	9,331	7,797	121,976	260,913
Train or blubber	50,081	43,417	218	178
Greases, unenumerated, not scented	110,105	35,559	13,120	13,020
Oils, olive oil	179,507	183,081	1,845	1,107
Cocoa nut and palm oil	24,983	24,585	62	48
Hemp, linseed, rape, and other unenumerated oils	44,495	54,756	76,633	39,404
7. Articles of Food and Drink.				
Beer	5,881	6,293	285,252	174,355
Spirituous liquors	12,769	9,986	201,786	134,214
Wine, grapes, &c.	71,758	72,684	274,014	216,718
Articles of food, common	40,770	29,306	2,098	4,918
,, fine	3,249	2,296	738	1,208
8. Materials for Fuel, Building, and Workiug.	100 cub. ft.	100 cub. ft.	100 cub. ft.	100 cub. ft.
Wood for fuel	32,862	24,279	59,303	37,580
Timber, common	38,872	30,259	440,303	530,615
	Cwts.	Cwts.	Cwts.	Cwts.
„ other than European	11,975	8,650	119	58
Charcoal	2,565	3,732	110,440	107,790
Coal and brown coal	6,991,874	5,737,481	14,518,068	9,621,358
Materials for turning and carving, as amber, teeth of animals, meerschaum, whalefins, ivory, mother-of-pearl, horns, bones, claws, and hoofs	19,793	27,166	8,181	11,926
Minerals, raw, polished, powdered, &c.	546,811	422,302	574,383	615,142
9. Medical Drugs, Perfumery, Substances for Dyeing and Tanning, Accessory Stuffs for Chemical Purposes,				
Drugs and perfumery, fine	5,661	4,901	323	1,386
„ „ finest	1,451	1,386	473	512
Dyeing and tanning stuffs, as dye woods and roots, catechu, quercitron, acorns, and gallnuts	441,360	242,904	221,225	158,689
Madder and weld, &c., safflower	26,390	14,531	1,900	905
Cochineal, garancine, indigo, extract of madder	42,240	27,808	1,285	843
Avignon berries, lac dye, lachmus, terra orleana, sepia, &c., raw	1,517	1,845	155	136
Extracts of woods used for dyeing and tanning	20,288	11,965	2,245	2,167
Turpentine, pitch, and tar oils, gums, resins, vegetable juices unenumerated	94,973	65,854	27,610	55,030
Kitchen salt, mother water, salt for animals to lick, &c.	548,502	508,090	1,257,054	1,062,216
Chemical accessories	509,291	363,095	204,701	194,300
10. Metals, Wrought and Unwrought.				
Ores	116,749	77,615	85,773	52,255
Lead, raw, cast, drawn, or in moulds	16,081	2,208	32,538	62,221
Iron, raw, old and broken	305,013	72,561	21,903	71,220
„ refined, half manufactured	3,840	5,027	151,357	93,130
Rails, for railways	492	3,306	2,180	4,982
Steel of all kinds	4,317	2,658	79,618	79,218
Iron in sheets or plates, iron and steel wire, tin plates, tyres to be used in coach building, refined and wrought iron, anchors, chains, cables	30,850	19,446	73,785	50,862
Iron castings, common	25,725	13,309	50,836	89,022
Quicksilver	515	189	5,273	2,336
Zinc	46,738	37,264	8,487	9,297
Metals, common, not elsewhere enumerated, as copper, brass, tin, raw, or in blocks, bars, &c.	65,593	31,631	19,815	30,679
Copper, brass, tin, &c., cast, drawn, &c., in sheets, plates, &c.	751	589	11,206	11,248
Metals, precious, in filings and waste, or as coins—				
Gold, raw	10·89	0·45	...	...
Silver, raw	141·20	78·17	0·12	1·49
Gold coins	244·8	188·68	141·93	151·31
Silver coins	2,056·54	3,322·69	2,769·37	8,934·17
11. Weaving Materials.				
Cotton	805,301	559,501	61,153	57,097
Flax, hemp, manilla hemp, sea grass, &c.	329,777	238,893	70,981	68,915
Sheep's wool	299,753	217,288	280,231	331,810
Silk and waste silk	10,046	3,516	5,112	2,395

Description of Articles.	Imports.		Exports.	
	1867.	1866.	1867.	1866.
12. *Yarns.*				
Cotton, unbleached, and wad	189,389	111,573	1,747	1,722
„ bleached	2,619	1,708	830	423
„ dyed	8,913	4,918	1,236	741
Linen, raw, unbleached	26,583	14,121	41,107	64,869
„ bleached and dyed	1,875	497	959	2,055
„ spun	2,302	1,852	2,529	2,052
Wool, raw	55,047	25,340	5,513	8,347
„ dyed, twisted	2,999	1,475	1,129	928
13. *Woven Manufactures.*				
Cotton manufactures, common	654	224	5,085	2,277
„ „ middle fine	4,295	2,015	21,463	16,621
„ „ fine	709	772	831	774
„ „ finest, superfine	210	93	155	87
Linen manufactures, as ropemakers' work, pack linen, &c.	16,829	2,013	20,887	19,629
„ „ common and commonest	114,494	366	83,176	78,234
„ „ middle fine	74	59	3,207	2,562
„ „ fine	42	25	1,079	718
„ „ superfine	4	2	23	23
Woollen manufactures, commonest	1,281	742	6,651	4,661
„ „ common	14,089	2,161	35,843	38,478
„ „ middle fine	11,594	6,177	23,346	22,961
Thick tissues, printed	2,751	1,119	1,668	1,678
„ „ fine	101	81	1,236	1,238
„ „ finest	17	26	161	467
Manufactures of silk, fine	1,965	925	644	500
„ „ common	1,211	681	6,617	8,447
Wax cloth, oil silk cloth, waxed taffeta	2,634	1,714	287	257
Articles of clothing and millinery	639	217	9,742	10,422
Hats and caps of straw, &c., mounted, *i.e.*, trimmed, &c.	Number. 1,477	Number. ...	Number. 403	Number. ...
14. *Articles of Bristles, Bast, Rush, Grass, Straw, &c, Paper and Stationery.*				
	Cwts.	Cwts.	Cwts.	Cwts.
Brush and sievemakers' works	524	319	264	923
Articles of bast, rush, grass, reed, cane, and straw	6,791	2,341	1,881	2,538
Hats and caps of straw, &c., unmounted, *i.e.*, untrimmed	Number. 111,572	Number. ...	Number. 202	Number. ...
	Cwts.	Cwts.	Cwts.	Cwts.
Paper, most common	21,061	11,282	34,281	20,504
„ common	995	467	39,682	33,316
„ fine	2,716	2,634	81,962	62,969
„ finest	340	251	3,500	2,760
Paper wares	2,977	2,863	20,540	14,277
15. *Leather and Leather Wares, Furs, and other such Articles.*				
Furs	169	125	152	233
Leather, common	58,140	39,710	20,006	16,309
„ fine	2,184	1,188	1,590	1,436
Manufactures of leather and india rubber, common	1,964	3,073	7,581	7,289
„ „ „ fine	1,358	886	7,063	4,946
Gloves	14	10	776	628
16. *Wooden, Earthen, Stone, and Glass Wares.*				
Wooden wares, commonest and common	75,621	46,503	151,510	103,845
„ fine	2,565	3,527	50,135	37,198
„ finest	3,778	2,060	12,186	10,427
Glass and glass wares, most common	6,082	1,550	59,008	51,540
„ „ common	1,949	1,402	96,435	75,002
„ „ middle fine	7,452	921	56,335	39,077
„ „ fine	718	461	70,194	66,888
„ „ finest	2,199	1,551	4,270	5,211
Stone wares	2,605	1,516	2,370	3,904
Earthenwares, commonest	52,964	43,760	32,548	28,517
„ common	1,855	826	10,421	9,140
„ middle fine	1,699	885	17,032	7,801
„ fine	2,285	1,219	12,097	9,842
17. *Metal Wares.*				
Iron wares, most common	23,427	16,737	60,235	52,611
„ common	10,235	7,432	95,055	72,127
„ fine, including arms	7,747	6,597	16,939	12,243
Sewing needles	449	291	11	14
Metal wares	3,407	2,294	10,009	8,476

Description of Articles.	Imports.		Exports.	
	1867.	1866.	1867.	1866.
18. *Land and Water Vehicles.*	Tons Burthen.	Tons Burthen.	Tons Burthen.	Tons Burthen.
Ships and other vessels of wood	4	...	132,816	118,735
„ „ of iron	...	...	752	...
	Number.	Number.	Number.	Number.
Carriages, carts, and sledges of all kinds	94	...	2,581	2,419
Railway carriages	70	...	3	2
19. *Musical Instruments, Machinery, and Hardware.*	Cwts.	Cwts.	Cwts.	Cwts.
Instruments, musical...	2,236	1,494	8,147	6,564
Machines, or portions thereof	175,884	100,983	98,562	47,308
Hardware	1,608·44	2,036·93	108,527	66,418
20. *Chemical Products, Colours, Grease, and Matches.*				
Chemical products and colours	44,360	35,845	55,962	40,314
Candles of wax, torches, &c.	390	2,737	9,889	8,517
Soaps	5,746	4,034	5,064	2,448
Matches, &c.	369	1,364	91,345	115,219
21. *Works of Art and Literature.*				
Books, maps and charts, printed music	26,705	21,157	16,331	11,028
Prints and engravings	1,002	818	585	446
22. *Waste and Refuse.*				
Oilcake and its refuse	5,200	903	401,908	231,584
Rags, waste paper	5,614	4,561	51,075	56,842
Spodium, skins, and leather clippings, and refuse	929	769	105,812	67,420

Observations.

The diminished importation of coffee and spices in 1866, though counted amongst the necessaries of life in these countries, had been owing to the interruption of traffic, as well as of all trade and commerce, and the other disasters of that year; and the reviving prosperity has not yet sufficed to make up the deficit.

The cheapness of the home made beet-root sugar leaves no demand for Colonial cane sugar, whilst, in consequence of the continual progress of the inland refineries, the export of sugar from Austria annually increases, and is sent even to Great Britain.

The abundant harvest through most parts of the Empire, but especially in Hungary, simultaneously with almost scarcity of grain in France, Holland, Great Britain, and Africa, in 1867, caused exportation from Austria of wheat and other grain in enormous proportions. The same applies also to meal and flour.

The progress in the culture of hops in Austria enables this country already to compete with the foreigner.

A large increase of imports of herrings and cod-fish was permitted by the lower prices consequent upon the abundant result of the foreign fisheries, whilst the export

from Austria of herrings, especially to the Lower Danube, proportionally increased.

The export of horned cattle to England, France, and the Rhine Provinces is largely on the increase, also of swine, especially to France.

The improvement of the Austrian manufactures in all branches connected with leather demands a constantly increasing supply of foreign hides and skins.

The Austrian, and especially Hungarian, wines, are finding improving markets in Germany, Sweden, North America, and even in France.

The tanneries and printing of tissues, &c., in Austria, are rapidly progressing, as indicated by the large increase in imports of dyeing and tanning substances.

The tariff reductions in Austria, and the lower prices in Great Britain, caused the larger import of lead of all descriptions. Whilst the export of lead from Austria in large quantities took the direction of Prussia, Bavaria, and Italy, probably for war stores purposes, as also to the Imperial navy at Trieste and Pola.

It is satisfactory to observe a large increase of the imports into Austria of raw iron, as indicating the progressing state of their ironworks, and manufactures of machinery.

The improvement in their refining and working of iron in Austria is also to be inferred from the lesser import of those articles, as also of rails for railways, whilst the reduction of the Customs duties has caused a larger demand of various other iron wares.

The very large increase in the import of cotton speaks satisfactorily for the improved activity of the cotton spinners in Austria, whilst the larger demand for flax, hemp, &c., is due to the complete destruction of those produces during the war of 1866.

Even the increased prices of sheep's wool did not arrest the demand of that article for the improving activity of the Austrian woollen yarn spinneries, and other woollen works.

The recent tariff reductions have acted greatly in favour of the import of woollen stuffs from Great Britain, France, &c.

The considerable increase observable in the late demand for the commonest linens, as also pack-cloth of coarse description, was, to a great degree attributable

in 1867 to the enormous quantities of those coarse wares required for the unusual export of grain in sacks, &c.

The export of paper and stationery from Austria would seem to be assuming large proportions, especially in the lower qualities. It is stated in official Returns that the orders from England are on so large a scale that for a long time they have exclusively occupied several of the principal paper manufactories of Austria, and will continue to occupy them exclusively also for a long time to come. It is stated that several of the London newspapers are now printed exclusively on paper from the Austrian fabriques.

The excellence and cheapness of Vienna and Prague gloves caused them to be exported in considerable quantities to many foreign markets, and to North America.

A great impulse has been given afresh of late, to the production of glass and all glass wares in Bohemia. Many of the manufactories worked all last year day and night in order to meet their engagements, and several of these works send their coloured wares exclusively to Great Britain and the United States. The commoner wares take usually the route of the Danubian Principalities and of Turkey; the finer kinds, such as beads, buttons, brooches, articles for millinery and dress, as also all the finer-coloured vases of all descriptions, sizes, and shapes used for dinner services, or for ornamental purposes, are sent to France, Great Britain, and America.

The tariff reductions have greatly augmented the import of all kinds of iron and metal wares. But at the same time a great activity is found in the Austrian inland ironworks, which, especially in nails, screws, sickles and scythes, instruments and utensils of all kinds, knives, &c., can hardly meet the demand made upon them.

The increase of import in sewing needles, is also large, partly to be ascribed to the more greatly increasing use of the sewing machines.

The celebrated fancy wares of Vienna, in their endless variety and tastefulness, especially all gilt-wares, trinkets, &c., continue yearly to improve, and are sent in enormous quantities to all parts of the world.

The Vienna matches are as celebrated as the foregoing articles, and are exported to all parts of the world, on account of their excellence and cheapness.

Summary of the Value of Total of the Imports and Exports of 1867.

	Value in Austrian Florins.*			
	Imports.	Exports.	Increase of Imports.	Increase of Exports.
Colonial produce, tropical and southern fruits ...	20,607,422	7,651,689	12,955,733	...
Tobacco and tobacco manufactures	9,425,800	1,504,700	7,921,100	...
Garden and field produce	13,354,539	95,818,005	...	82,463,466
Animals	12,559,616	13,134,781	...	575,165
Animal products, not elsewhere enumerated ...	13,497,371	8,940,753	4,556,618	...
Grease and oils	9,886,242	4,698,877	5,187,366	...
Articles of food and drink	1,980,219	6,902,834	...	4,922,615
Materials for fuel, building, and working	8,476,288	25,679,219	...	17,202,931
Drugs, perfumeries, dye and tan stuffs, chemical accessories	18,165,263	4,978,227	13,187,036	...
Metals, raw and half manufactured	30,142,297	27,015,959	3,126,338	...
Stuffs for weaving and the loom	69,292,442	44,394,279	24,898,163	...
Yarns	30,524,663	4,821,795	25,702,868	...
Woven stuffs and tissues	29,283,972	54,670,485	...	25,386,513
Wares of bristles, bast, straw, cane, &c., paper and paper wares	1,290,460	9,385,592	...	8,095,132
Leather, leather and india-rubber wares, furs, &c	7,307,180	8,886,340	...	1,579,160
Wooden, glass, stone, and earthen, wares	3,306,646	21,362,313	...	18,055,667
Metal wares	4,048,471	9,831,877	...	5,783,406
Vehicles for land or water, ships and carriages, &c.	327,780	3,558,020	...	3,230,240
Musical instruments, machines, and small wares	7,678,950	55,930,751	...	48,251,801
Chemical products, colours, grease and matches ...	2,604,147	6,006,202	...	...
Works of literature and art	6,614,750	3,989,495	2,625,255	...
Refuse, horns, claws, &c., cuttings	51,436	1,290,051	...	1,238,615
Total	300,425,954	420,452,244	...	120,026,290
Or, after deduction of the precious metals, and gold and silver coins, at	24,145,640	19,593,676	4,551,964	...
Total	276,280,314	400,858,568	...	124,578,254

Value of the Imports and Exports in 1867, returned from the Custom-houses of Hungary and the other Trans-Leithan Provinces specially.

	Value in Austrian Florins.			
	Imports.	Exports.	Increase of Imports.	Increase of Exports.
Colonial produce, tropical and southern fruits ...	2,275,903	1,014,080	1,261,823	...
Tobacco, raw and manufactured	4,315,220	911,390	3,403,830	...
Garden and agricultural produce	1,046,432	5,472,345	...	4,425,913
Animals	7,857,929	642,949	7,214,980	...
Animal products, not elsewhere enumerated ...	6,154,415	1,874,213	4,280,202	...
Grease and oils	672,053	218,520	453,533	...
Articles of food and drink	552,492	1,174,851	...	622,359
Materials for fuel, building, and working	146,507	1,614,686	...	1,468,179
Drugs, perfumery, dye and tan substances, chemical accessories	1,320,317	520,864	799,453	...
Metals in ore, wrought and unwrought	316,160	789,084	...	472,924
Weaving materials	9,451,192	3,816,269	5,634,923	...
Yarns	639,523	75,876	563,647	...
Woven manufactures	2,702,423	5,236,342	...	2,533,919
Articles of bristles, bast, rush, reed, cane, straw, paper and paper wares	65,124	863,897	...	798,773
Leather, furs, leather and india-rubber wares ...	532,560	840,368	...	307,808
Wooden, glass, stone, and earthen wares	211,736	1,379,651	...	1,167,915
Metal wares	244,772	945,695	...	700,923
Vehicles for land or water (ships, carriages, &c.) .	4,460	199,100	...	194,640
Musical instruments, machines, and hardwares .	720,679	1,223,874	...	503,195
Chemical products, colours, grease, and matches .	160,562	591,369	...	...
Works of art and literature	709,630	179,990	529,640	...
Refuse	3,530	204,080	...	200,550
Total	40,103,619	29,789,493	10,314,126	...
Or, after deducting precious metals and gold and silver coins	239,180	35,640	203,540	...
Total	39,864,439	29,753,853	10,110,586	...

* 10 florins to the £1 sterling.

Value of, and Customs Receipts on, the Total of Imports and Exports of 1867 as compared with 1866.

IMPORTS.

	Value in Austrian Florins.			
	1867.	1866.	Increase in 1867.	Decrease in 1867.
Colonial produce, tropical and southern fruits ...	20,607,422	18,664,473	1,942,949	...
Tobacco, and tobacco manufactures	9,425,800	4,525,740	4,900,060	...
Garden and field produce	13,354,539	11,747,429	1,607,110	...
Animals	12,559,616	10,066,221	2,493,395	...
Animal products	13,497,371	9,759,932	3,737,439	...
Grease and oils	9,886,242	8,506,043	1,380,199	...
Articles and drinks	1,980,219	1,425,749	554,470	...
Fuel, and materials for building and working ...	8,476,288	6,248,673	2,227,615	...
Drugs, perfumery, dye and tan substances, chemical accessories	18,165,263	12,280,068	5,885,195	...
Metals in ore, raw, and half manufactured ...	30,142,297	27,955,679*	2,186,618	...
Weaving materials	69,292,442	65,380,428	3,912,014	...
Yarns	30,524,663	20,606,505	9,918,158	...
Woven manufactures	29,283,972	11,146,985	18,136,987	...
Articles of bristle, bast, rush, reed, straw, &c., paper and paper wares	1,290,460	915,277	375,183	...
Leather, furs, leather wares, and the like	7,307,180	5,270,870	2,036,310	...
Wooden, glass, stone, and earthen wares	3,306,646	2,147,105	1,159,541	...
Metal wares	4,048,471	3,420,590	627,881	...
Land and water vehicles (ships and carriages, &c.)	327,780	29,720	298,060	...
Musical instruments, machines, and hardware ...	7,678,950	5,515,019	2,163,931	...
Chemical products, colours, grease, and matches .	2,604,147	2,153,113	451,034	...
Works of literature and art	6,614,750	5,269,800	1,344,950	...
Refuse	51,436	37,895	13,541	...
Total	300,425,954 Or, £30,042,595	233,073,314 Or, £23,307,331	67,352,640 Or, £6,735,264	... ...

Customs Receipts on Imports.

	Value in Austrian Florins.			
	1867.	1866.	Increase in 1867.	Decrease in 1867.
Colonial produce, tropical and southern fruits ...	4,725,798	4,418,420	307,378	...
Tobacco, raw and manufactured	19,871	26,223	...	6,352
Garden and field produce	261,287	328,225	...	66,938
Animals	804,339	648,248	156,091	...
Animal products	79,412	63,692	15,720	...
Grease and oils	355,677	480,152	...	124,475
Articles of food and drink	359,939	389,770	...	29,831
Materials for fuel, timber for building and working, &c.	5,019	6,490	...	1,471
Drugs, perfumery, dye and tan substances, chemical accessories	285,178	192,540	92,638	...
Metals in ore, also wrought and unwrought ...	256,530	116,060	140,470	...
Weaving materials	39,806	25,112	14,694	...
Yarns	1,176,973	809,941	367,032	...
Woven manufactures	1,721,044	1,097,940	623,113	...
Articles of bristle, bast, reed, straw, &c., paper and paper wares	78,855	70,225	8,630	...
Leather, furs, leather wares, and the like... ...	173,144	154,888	18,256	...
Wooden, glass, stone, and earthen wares	157,298	87,589	69,709	...
Metal wares	281,260	211,981	69,279	...
Land and water vehicles	21,832	1,956	19,876	...
Musical instruments, machinery, and hardware .	356,081	267,063	89,018	...
Chemical products, colours, grease, and matches .	146,394	136,948	9,446	...
Works of literature and art	4,835	7,701	...	2,866
Refuse	... ...	... ...	...	...
Total	11,310,572	9,541,164	1,769,408	...

* Included in the imports value for 1866 is reckoned the Royal Saxon treasure conveyed into Austria for safety during the war, and the occupation of Dresden by the Prussians, and amounting to 3,586,000 florins or 353,600*l.*

Value of Exports of 1867 compared with 1866.

	Value in Austrian Florins.			
	1867.	1866.	Increase in 1867.	Decrease in 1867.
Colonial produce, tropical and southern fruits ...	7,651,689	4,889,027	2,762,662	...
Tobacco, raw and manufactured	1,504,700	1,888,095	...	383,395
Garden and field produce	95,818,005	45,195,141	50,622,864	...
Animals	13,134,781	11,662,898	1,471,883	...
Animal products	8,940,753	9,855,044	...	914,291
Grease and oils	4,698,877	6,748,328	...	2,049,451
Articles of food and drink	6,902,834	4,875,947	2,026,887	...
Materials for fuel; timber, &c., for building and working, &c.	25,679,219	28,757,843	...	3,078,624
Drugs, perfumery, dye and tan substances, chemical accessories	4,978,227	5,021,009	...	42,782
Metals in ore, wrought and unwrought	27,015,959	52,518,810*	...	25,502,851
Weaving materials	44,394,279	51,078,472	...	6,684,193
Yarns	4,821,795	6,831,601	...	2,009,806
Woven manufactures	54,670,485	48,572,477	6,098,008	...
Articles of bristles, bast, reed, straw, &c., paper and paper wares	9,385,593	7,359,170	2,026,422	...
Leather, furs, leather wares, and the like	8,886,340	7,809,982	1,076,358	...
Wooden, glass, stone, and earthen wares	21,362,313	18,065,870	3,296,443	...
Metal wares	9,831,877	8,824,978	1,006,899	...
Land and water vehicles	3,558,020	3,100,300	457,720	...
Musical instruments, machinery, and hardware .	55,930,751	38,559,221	17,371,530	...
Chemical products, colours, grease and matches .	6,006,202	5,917,294	88,908	...
Works of literature and art	3,989,495	2,726,520	1,262,975	...
Refuse	...	950,038	340,013	...
Total	420,452,244	371,208,065*	49,244,179	...

Customs Receipts on the Exports.

	Value in Austrian Florins.			
	1867.	1866.	Increase in 1867.	Decrease in 1867.
Colonial produce, tropical and southern fruits ...	...	...	...	...
Tobacco, raw and manufactured	...	...	...	...
Garden and field produce	...	...	...	...
Animals	...	...	...	...
Animal products	120,360	126,314	...	5,953
Grease and oils	...	..	...	...
Articles of food and drink	...	...	...	...
Materials for fuel, timber for building and working, &c.	3,941	3,378	563	...
Drugs, perfumery, dye and tan substances, chemical accessories	...	...	...	...
Metals in ore, wrought and unwrought	...	...	...	...
Weaving materials	...	...	...	..
Yarns	...	...	...	...
Woven manufactures	...	...	...	...
Articles of bristles, bast, reed, straw, &c.; paper and paper wares	...	...	...	...
Leather, furs, leather wares, and the like ...	...	...	...	...
Wooden, glass, stone, and earthen wares	...	...	...	...
Metal wares	...	...	...	...
Land and water vehicles	...	...	...	...
Musical instruments, machinery and hardware .	...	...	...	...
Chemical products, colours, grease, and matches .	...	...	...	...
Works of literature and art	...	...	...	...
Refuse	104,766	118,744	...	13,978
Total	229,068	248,436	...	19,368

* Included in the exports under the head of "Metals" (which comprises the precious metals, and gold and silver coins) for the year 1866, are 30,000,000 of florins paid in specie in September of that year as the war indemnity to Prussia.

Export of Grain.—The general harvest of 1867, but especially in grain, was most abundant throughout Austria. As it chanced to fall during the same period below the average in other parts of Europe, and particularly in France and England, considerable demands for grain of all kinds were made upon the Eastern countries.

Austria, but principally the extensive grain-lands of Hungary, profited greatly by these circumstances, and indeed, had not means of transport capable of meeting so unusual a call upon them. Millions of bushels might be seen encumbering every warehouse, railway station, and place of embarkation, till the early months of 1868 offered new outlets to them.

The following Tables will show the amount of grain of various descriptions exported from Austria in 1867, compared with the two previous years, 1866 and 1865.

	1865.	1866.	1867.
	Cwts.	Cwts.	Cwts.
Wheat and spelt	4,968,351	4,714,224	11,653,745
Rye	1,969,850	372,122	3,230,209
Meslin, buckwheat, millet, &c. ..		144,400	204,806
Maize, or Indian corn	291,553	425,969	398,715
Beans, peas, lentils, &c.	215,044	134,652	315,565
Barley and malt	1,346,657	1,632,853	3,166,727
Oats	949,548	1,147,218	2,215,503
	7,740,993	8,571,436	21,185,270

The principal export, exclusive of Hungarian grain, during the last two years was as follows :—

		Wheat and Spelt.	Rye.	Barley and Malt.	Oats.
		Cwts.	Cwts.	Cwts.	Cwts.
To or by South Germany ..	1867	3,452,142	44,646	506,113	154,013
	1866	2,302,264	63,803	746,508	303,582
Saxony	1867	2,306,036	1,156,305	766,091	960,963
	1866	206,794	198,416	641,191	410,648
Prussia	1867	1,295,228	1,038,383	832,404	376,921
	1866	397,444	84,191	27,868	203,161
Russia and Poland ..	1867	672,165	226,547	12,311	175,248
	1866	45,604	20,496	4,099	20,216
To or by Trieste	1867	1,396,287	98,002	203,921	167,210
	1866	1,721,265	4,735	199,862	196,018

RETURNS of Cattle and other Animals (for slaughter) exported from Austria during 1867 (taken from Official Tables of the competent Department of the Ministry of Finance).

	Head.
From Austria :—	
Oxen and bulls	78,467
Cows	33,640
Bullocks and heifers	9,011
Calves	33,541
Sheep, goats, ewes, rams, and bucks ..	240,140
Lambs and kids	11,319
Swine	231,167
Sucking pigs, not exceeding 20 lbs. ..	17,531
From the Trans-Leithan Provinces (Hungary, Croatia and Slavonia, Transylvania) :—	
Oxen and bulls	1,388
Cows	218
Bullocks and heifers	206
Calves	1,527
Sheep, goats, ewes, rams, and bucks .	37,992
Lambs and kids	8,333
Swine	1,493
Sucking pigs, not over 20 lbs. ..	4
Total	705,977

The Province of Salzburg had the largest share in the above commerce, and next, that of Bohemia. Salzburg in sheep, &c., 166,269 head. Bohemia in swine, 153,041 head.

Hungarian Wines.—We learn with much satisfaction that a Company, resting upon a capital of 50,000*l*., and entitled "The Pesth Wine Export Association," has been formed in the latter city for the purpose of bringing the very various and excellent wines of Hungary into foreign markets.

Possessing vineyards of its own, the Company will especially turn its attention to a more careful manipulation of the wine, so as to fit it for keeping and for a change of climate, and will particularly seek the markets of Germany, Great Britain, Holland, and Russia. The want of such an enterprize as long been felt, and it may be confidently expected to succeed. A very few years ought to suffice for the wines of Hungary to become well known, and special favourites with a numerous class in Great Britain, where they ought also to be obtainable in great variety at a cost considerably below the prices of all French wines of the classes that are habitually exported.

Railways.

Notwithstanding considerable disturbance of the traffic in consequence of influences of climate, the receipts on the Austrian railway lines during the first three months of the current year (1868), have been more than usually favourable. Their increase, however, is to be chiefly attributed to the exportation of grain from many parts of the Austrian dominions, which is still continuing, the rolling stock having been insufficient during the autumn to meet the orders of the foreign purchasers.

The whole length of the Austrian railways, lines now in activity, amounts to 890·4 German miles, or upwards of 4,000 miles English; but the subjoined figures show the results deriving from only 813·90 miles out of that number, the remaining Returns not having yet been available.

The total receipts on the above 813·90 miles during the first quarter of this year amounted to 27,289,440 florins, being an increase against the same period of 1867 of 7,677,945 florins.

Of the above fall to—

	Florins.
Passenger traffic :—	
In 1868	3,720,944
In 1867	3,544,953
Merchandize :—	
In 1868	23,368,496
In 1867	16,066,542

The number of passengers conveyed during that period—

	Persons.
In 1868 amounted to	2,131,132
In 1867 „	1,977,985
Or, an increase in 1868 of ..	153,147

The merchandize counted—

	Cwt.
In 1868	82,891,196
In 1867	56,537,278
Increase in 1868	26,353,918

Telegraphs.

The following Returns show the continually increasing use of the telegraphic wires, and are of importance as a certain indication of more busy commerce and industry.

The Hungarian lines, or those abandoned solely to the Hungarian administration, being excepted from these Returns, the lines belonging to the Cis-Leithan or Western Provinces alone show for 1867 :—

	German Miles.
Length of lines	1,913
Length of wires	4,617·9
Belonging exclusively to the Railway Administrations	1,253·1
	5,871
Of which, however, are open to public use only ..	5,641·2

At the end of 1867 the Cis-Leithan provinces counted 358 telegraph stations; 318 belonging to the railway administration, but open also to private correspondence; 135 stations have been left to Hungarian administration.

The traffic of the Cis-Leithan offices during the past year amounted to a total of—

	Telegrams.
1867	2,109,608
1866	1,922,166
Increase on 1866	187,442
	Words.
1867	42,894,238
1866	40,721,795
Increase on 1866	8,172,443

The receipts thereon were :—

	Florins.
In 1867	1,450,087
In 1866	1,265,530
Increase on 1866	184,557

Trieste.

An official Report drawn up by the Chamber of Commerce and Trade of Trieste gives the following Return of the traffic at that port during the year 1867, as compared also with the results of the preceding year.

The total number of vessels arriving at Trieste and their tonnage were as follows :—

	1867.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
Sailing vessels ..	9,268	504,736	10,501	620,278
Steamers	907	389,601	921	361,827
	10,175	894,337	11,422	982,105
Of which in ballast—				
Sailers	2,046	192,032	3,090	308,121
Steamers . ..	22	8,385	61	28,643

Of the above 5,187 sailers, with 164,195 tons burden, and 730 steamers, of 277,704 tons, in 1867, against 3,090 sailers, with a burden of 308,121 tons, and 61 steamers, of 28,643 tons, in 1866, bore the Austrian flag; whilst in 1867, 1,414 sailers, of 82,979 tons burden, and 46 steamers, bearing 22,754 tons, against 927 vessels, with 92,265 tons, in 1866, bore the Italian flag; the inconsiderable number of vessels in 1866 being accounted for by the events of the war of that period.

The vessels that sailed from the port of Trieste in the same periods were:—

	1867.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
Sailers	9,361	526,821	10,465	640,206
Steamers	903	394,853	935	380,289
	10,264	921,674	11,400	1,020,495
Of which in ballast—				
Sailers	3,069	75,709	2,956	63,289
Steamers . ..	10	4,612	58	32,425

Or 4,078 sailers, of 200,960 tons, and 735 steamers, of 279,000 tons, in 1867, against 2,956 sailers, of 63,289 tons, and 58 steamers, of 32,425 tons, in 1866, carried the Austrian commercial flag; the next in order being the Italian, Greek, Papal, and Turkish flags, according to number of vessels.

Of the vessels that cleared out from Trieste were bound—

	1867.	1866.
To Austrian and Venetian Ports—		
Sailers	6,581	7,833
Steamers	160	434
To Italian Ports	1,433	1,396
French	336	378
Greek	311	213
Turkish	208	322
British	94	181
American	87	94
African	20	16

Since 1864 no Austrian vessel has cleared out for any Asiatic port, in consequence of the want as yet of commercial Treaties with those countries.

The value of the traffic of the port of Trieste during the same periods was as follows :—

IMPORTS.

	1867.	1866.
	Florins.	Florins.
By sea	89,009,690	73,807,562
By land	83,448,080	79,883,374
Total	172.457.770	153,690 936

EXPORTS.

	1867.	1866.
	Florins.	Florins.
By sea	104,226,107	103,093,547
By land	43,480,052	34,878,197
Total	147,706,159	137,971,744

Showing an excess of imports over the exports amounting to a value of 24,751,611 florins, or 2,475,161*l.*

The following figures show the various States which took part in the above traffic by sea, as also their respective shares both as to imports and exports :—

	1867.		1866.	
	Imports.	Exports.	Imports.	Exports.
	Florins.	Florins.	Florins.	Florins.
Austria	10,823,728	21,357,429	16,394,335	32,519,600
Italy	13,599,994	19,570,724	10,682,804	9,223,600
Turkey . ..	16,738,661	16,060,929	11,561,542	15,420,522
Greece	6,810,027	5,078,117	3,471,284	4,724,943
Great Britain ..	14,245,584	12,070 610	11,067,998	11,596,034
France	1,371,450	7,550,263	1,837.503	7,286,285
Papal States ..	2,727,005	7,365,829	3,847,106	6,881,116
Netherlands . ..	1,440,394	1,494,748	2,103,579	794,016
Belgium	1,122,493	1,203,199	1,480,801	70,530
Egypt	9,592,847	6,492,629	4,814,257	9,515,192
North America ..	1,385,229	1,256,735	889,670	1,670,182
Brazils	5,927,757	2,468,944	3,149,515	2,354,362

Among the various descriptions of produce and merchandize comprised in the above traffic, grain and flour figure for the largest amounts.

The quantity exported in 1867 was as follows :—

	Grain of all kinds.	Flour.
	In "star."	In "cwts."
To Austrian Ports ..	233,178	157,747
Italian	46,434	38,585
French	354,717	..
British	1,503,440	149,999
Belgian	253,267	..
Egyptian ..	..	82,521
Brazilian ..	..	300,779

The next articles in importance in the Trieste traffic are timber (especially for the construction of ships), staves, and planks; then coffee, refined sugar, currants, and raisins.

Horned Cattle.

The live stock of Austria in horned cattle is computed at 13,660,332 head, being an average of, to the square mile (German) = circa $4\frac{1}{3}$ English,—

In Carinthia	1,278
Carniola	1,086
Hungary	1,039
Bohemia	2,033
Silesia	2,165
Styria	1,477

Tax on Professions in Vienna.

The total number of persons contributing, by classes, in the capital to the tax levied on professions, trade, and industry (Erwerbtsteuer) in the year 1867, amounted to 43,429, showing an increase of 5,570 contributors against 1866.

The total receipts from that source to 1,031,806 florins, a reduction of the tax to be levied was accorded in 1,894 cases, and increase imposed in 470 cases.

				Florins.
17,029	contributors paid at the rate of the class of		..	5
10,037	Ditto	ditto	..	10
1	Ditto	ditto	..	15
3,491	Ditto	ditto	..	20
1,307	Ditto	ditto	..	30
783	Ditto	ditto	..	40
1,158	Ditto	ditto	.	50
861	Ditto	ditto	..	60
100	Ditto	ditto	..	70
281	Ditto	ditto	..	80
1,200	Ditto	ditto	..	100
16	Ditto	ditto	..	120
1	Ditto	ditto	..	140
392	Ditto	ditto	..	150
6	Ditto	ditto	..	160
1	Ditto	ditto	..	180
390	Ditto	ditto	..	200
2	Ditto	ditto	..	240
3	Ditto	ditto	..	250
1	Ditto	ditto	..	260
193	Ditto	ditto	..	300
24	Ditto	ditto	..	400
1	Ditto	ditto	..	410
62	Ditto	ditto	..	500
4	Ditto	ditto	..	600
2	Ditto	ditto	..	700
1	Ditto	ditto	..	800
1	Ditto	ditto	..	900
24	Ditto	ditto	..	1,000
35	Ditto	ditto	..	1,500

1868.

It is satisfactory to see that the foreign commerce of Austria has again largely increased during the first quarter of the current year, compared with the same period of 1867, as will be seen by the following figures; and it is sincerely to be hoped that the more liberal commercial policy which has at length been inaugurated in Austria, though so long and implacably opposed by a numerous

class, may ere long, and even in spite of themselves, be of large and growing benefit to the country.

Although the reductions of the Tariff at last resolved upon were steadfastly and systematically combatted even in the Legislative Chambers, yet since their introduction an unusual commercial activity of great promise is already observable throughout the Empire, giving renewed employment to thousands of families, and promising, in the course of a very short time, to bring about a considerable amelioration of the condition of the working classes.

During the first three months of 1868, from January 1st to March 31st, the value of the exports and imports of Austria were as follows :—

	1868.	1867.	Increase in 1868.
	Florins.	Florins.	Florins.
Imports	84,708,147	58,355,812	26,352,335
Exports	105,774,838	85,899,560	19,875,278
Total	190,482,985	144,255,372	46,227,613

(Exclusive of the precious metals, and gold and silver coins.)

The Customs receipts thereon amounted to :—

	1868.	1867.	Increase in 1868.	Decrease in 1868.
	Florins.	Florins.	Florins.	Florins.
Import dues ..	3,200,412	2,228,285	972,127	..
Export dues ..	20,768	44,355	..	23,587
Other dues ..	71,203	51,031	20,172	.
Total ..	3,292,383	2,323,671	968,172	..

The Customs receipts of Dalmatia specially during the same period amounted to :—

	Florins.
1868	66,177
1867	50,294
Increase in 1868	15,883

Average Prices of some of the Principal Necessaries of Life at the commencement of June 1868, at Vienna, and some other of the Provincial Capitals of Austria.

	Beef.	Veal.	Pork.	Mutton.	Beef, fat	Swine's fat.	Bread.	Wood.	Coals.	Lignite.	Charcoal.	Wages of a Day Workman, without Board.
	Per lb. Krs.	Per lb. Krs.	Per lb. Krs.	Per lb. Krs.	Per lb. Krs.	Per lb. Krs.	Per lb. Kr. Kr.	Per cord. Fls.	Per cwt. Fls.	Per cwt. Fls.	Per cwt. Fl. kr.	Fl. kr. Fl. kr.
Vienna, Lower Austria ..	29	29	40	27	61	53	7 to 18	20	75	75	2 58	0 70 to 1 0
Prague, Bohemia	29	32	35	26	58	52	9 to 32	18½	58	45	1 50	0 60 to 0 80
Gratz, Styria	25	38	28	25	50	42	to 12	13½	39	39	2 10	65 krs.
Botzen, Tyrol	27	27	29	..	54	46	6 to 14	15	..	..	3 40	1 0 to 1 20
Klagenfurt, Carinthia ..	25	27	26	23	52	44	6 to 14	10½	..	39	1 18	65 krs.
Lemberg, Gallicia	27	18	26	..	53	..	5 to 17	11	..	43	..	50 krs.

100 kreutzers equal to 1 florin; 1 florin equal to 2*s*.

The prospects of this year's harvest are also most satisfactory throughout the Empire, and even the wine, which had been so seriously injured and deteriorated by influences of climate during the last two years, gives promise of rich returns for 1868 both in quantity and quality.

Public Debt.

By the half-yearly Report of the Commission charged with the control of the public debt, the State liabilities of Austria are shown to have stood on the 31st of December, 1867, as follows:—

	Austrian florins.
Total of public debt . .. .. (Or, 302,531,589*l.* sterling.)	3,025,315,896
Being an increase since the last day of June, 1867, of	36,829,200
And demanding a yearly interest of .. (Or, 12,771,814*l.*)	127,718,147
On the 31st day of December last the funded debt stood at	2,584,590,690
Being an increase against June 30, 1867, of	48,000,369
Floating debt	425,213,443
Increase	11,149,242

(Signed) A. G. G. BONAR.

Netherlands.

Report by Mr. Thurlow, Second Secretary of Legation, on Java and its Dependencies.

The Hague, July 1, 1868.

Reasons for reporting on Java.

It is now some years since these splendid possessions have formed the subject of a general Report. This period has been marked by many events characteristic of the spirit of the times, among which rank the abolition of the spice monopoly, the abolition of flogging as a legal aid in raising crops of Government Colonial produce, the introduction of two culture laws for the purpose of opening up Java to private enterprise, and a constantly increasing legislative agitation for improving the condition of the native races subjects to Netherlands dominion.

An additional reason rendering a new Report on this subject desirable, is the recent submission to the States' General of some papers, prepared with great care by the Dutch Colonial Office, correcting inaccuracies in Mr. Money's well-known work, entitled "Java, or how to manage a Colony."

The Dutch are far from underrating the value of this book, which maintains, in their estimation, the high place it took immediately on its publication in 1861; but the rigorous official scrutiny to which the facts, and especially the figures it contains, have been subjected, exhibited errors which have been deemed of sufficient magnitude to require authoritative contradiction in the shape of a Ministerial communication to the Second Chamber.

The more important of these errors will be shown at a later period of this Report in a series of Tables contrasting the figures of Mr. Money with those on record in the Colonial Department. In England it will probably be held that the results of this comparison tend rather to enhance than to depreciate the value of "Money's Java" as a sufficiently faithful guide to the Dutch East Indian Possessions. The figures of Mr. Money are indeed proved to be untrustworthy; but his historical parallels, his

chapters on the culture system in its palmy days, his study of the native races,—in a word, all the valuable, practical, and original portions of his book remain unchallenged, and, consequently, acquire additional importance, while some errors of account and technical misstatements alone are brought to light.

Lastly, it must be remembered that it is now possible to collect information on this subject which formerly was inaccessible to the public, and further, that it is now possible to publish such information without giving real or imaginary offence or incurring the risk of inaccuracy or ndiscretion. In 1866, M. Fransen Van der Putte, then Minister for the Colonies, disclaimed all secrecy in that Department, and announced in the Second Chamber of the States-General that it was open to all who sought to learn the truth. Since that date the doors of the Colonial Department have been practically as well as theoretically unlocked, the seals have been removed from hitherto jealously guarded archive rooms, and their contents are now available to all who show that they are instigated by something more than idle curiosity.

Plan of Report.

With a view, therefore, to imparting information on this subject, collected during an eighteen months residence at the Hague, and making such information available in a condensed and accessible form, the present Report has been drawn up on the following system :—

1stly. In order to acquaint readers with the general peculiarities of Dutch Colonial accounts, and with the numerous technicalities and localities they illustrate and familiarize, and to display at a glance the financial value of the possessions herein discussed, and the relative proportions of different branches of income, expenditure, produce, and industry, the Netherlands India Budget for 1868, as presented to the Second Chamber of the States-General, is given in extense translation. To it is added a statement of the results of the Debate in which it was discussed, showing which of its provisions were altered, and the tendency towards economy which marked the deliberations.

2ndly. This Budget is supplemented by some extracts affording an insight into the state of public feeling on what is known in Holland as the " Great Colonial Question," a question which has been thus defined : " Is forced labour a necessary condition for raising crops of colonial produce

in Java;" or, "How can the largest crops be combined with the smallest amount of compulsion?"

3rdly. An abstract is given of the papers published by the Government in correction of Mr. Money's figures; and at this place some Tables have been inserted carrying down Mr. Money's calculations from 1857 to the present date.

4thly. A brief review is given of so much of the coffee, sugar, tin and spice trades of the world as bears upon the Netherlands Indies.

5thly. The last published Tables of the imports and exports, and of the commerce and navigation, of Java and Madura are given *in extenso*.

6thly. It is shown from all that has gone before that the culture system in Java is in its decline; and a sketch is given of the schemes projected to enable private enterprise to take the place of Government farming.

7thly. Some account is given of the actual condition of Borneo, Sumatra, and some of the other more important dependencies on Java, showing the vast field for capital and industry likely soon to be opened to the public, especially with reference to the Netherlands Indian coal trade.

Annual Java Administration Report.

8thly, and finally. It had been intended to give a general though brief review of the Annual Report on the Moral Condition and Material Progress of Java and its Dependencies for 1865. This document is too bulky and detailed a State paper (usually occupying several hundred foolscap pages of closely printed and tabular matter, in which the exact number of coffee trees in each district is given), to render it either possible or desirable to give it *in extenso*. Indeed, although complete and valuable as a compendium of the condition of the Dutch East Indies, this Blue Book loses greatly in interest and value from its dimensions, much old information being necessarily repeated from year to year, rendering it a labour of some magnitude to discover original matter. The date of publication is also thereby so much delayed as to render these Reports of little real use or value when finally they are given to the world. Whoever doubts this may consider whether it would be possible to legislate satisfactorily to-day, on any subject and in any country, on data representing 1864 (the latest Netherlands India Blue Book yet published),

and whether legislation for the immediate requirements of 1868 can, with public profit, be delayed until an elaborate Report upon them appears in 1872. Under these circumstances, and as, moreover, the Report for 1865 has not been presented to the States-General early enough to admit of its review in the present paper without delaying the transmission thereof to the Foreign Office beyond the date fixed in the Regulations on this subject, the task of its analysis has been abandoned.

New sugar culture regulations.

On two questions of great importance I have refrained from touching in the body of this Report, as they are both at the present moment under the more immediate consideration of the Dutch Government, and as it is as yet uncertain what exact action will be taken regarding them. The first is a new General Code of Regulations for private sugar culture in Java and Madura, on which the Netherlands Colonial Office has been occupied for many months. It is intended to supersede the local regulations now in force, many of which are incompatible with the present condition and requirements of the Colony, and impede the development of what must some day become a very large branch of industry. What is really wanted is a liberal sugar contract law; but, pending the ripening of public opinion on this point, the executive has set itself the task of framing some ordinances of compromise intended to relieve the planters from many of the hardships of their present positions while protecting the vested interests of the Government in the crops under the so-called culture system. This is, therefore, at best but a transition measure, and its efficacy to effect the ends in view must entirely depend on the meed of liberality displayed in its provisions.

Consignation system.

The second pending question is known as the "Consignation System." Whether to sell the Government colonial produce in Java or in Holland is a point on which many volumes have been written; and it has been pretty clearly shown that a monied gain would accrue to Government by adopting the place of selling in the country of production. The only question is, whether the mother country would continue to derive the hereditary advantages it enjoys from being recognized as the master grocer of at least Continental Europe, and whether the carrying trade of the Java Government cultures, now

intrusted to the Netherlands Trading Company, would not fall into the hands of other than Dutch skippers, should the monopoly above referred to be abolished.

It is probable, indeed, that these would be the results, in course of time of such enfranchisement; but the necessities of the times, the desire to embrace free trade doctrines, and the confidence of private Dutch shipowners in their ability to hold their own against all comers in Java or elsewhere, are so great, that there is little doubt the recent prayers of the Rotterdam and Amsterdam Chambers of Commerce on this point will ultimately be granted. It behoves, therefore, the mercantile fleet of England to be on the alert for the occurrence of such an event, and to hold themselves in readiness to prevent so great a prize as half the carrying trade of the Dutch Indies from slipping through their fingers either from inadvertence or want of timely preparation.

Such is the plan on which this Report has been compiled, and, in addition to the sources of information already indicated, much valuable information has been courteously placed at my disposal by ex-Governor-Generals of Netherlands India, by the Dutch Colonial Office, and by members of both Chambers of the States-General. In no case have I had to regret inability to procure documents or information, and the only difficulties have been in selection, translation, and arrangement.

I may add that the subject has been rendered doubly interesting to me from some acquaintance with the magnificent group of islands forming the Dutch East Indies acquired during a visit paid to the interior of Java in 1861, under circumstances specially favourable to personal observation.

Java Budget, 1868.

The Netherlands India Budget for 1868, as presented to the Second Chamber of the States-General, now follows. It is divided into four parts :—

I. Expenditure in the Netherlands.
II. Expenditure in Netherlands India.
III. Receipts in the Netherlands.
IV. Receipts in Netherlands India.

EXPENDITURE.

Chapter.		Part I. In Netherlands.	Part II. In India.	Total.
		Florins.	Florins.	Florins.
I	Salary of Governor-General ..	..	273,800	273,800
II	Higher branches of the Administration	..	857,318	857,318
III	Department of Justice ..	..	2,509,876	2,509,876
IV	Ditto of the Interior ..	10,143,805	39,254,606	49,398,411
V	Ditto of Instruction ..	49,022	7,789,731	7,838,753
	Ditto of Public Worship ..			
	Ditto of Industry			
VI	Ditto of Public Works ..	936,975	7,455,692	8,392,667
VII	Ditto of Finance	11,540,375	2,574,870	14,115,245
VIII	Ditto of War	3,301,180	17,963,871	21,265,051
IX	Ditto of Marine	3,542,250	4,771,903	8,314,153
X	Pensions, &c.	2,528,697	1,755,800	4,284,497
XI	Unforeseen expenses ..	..	500,000	500,000
XII	Increase on salaries of natives .	..	2,000,000	2,000,000
	Total	32,042,304	88,407,467	120,449,771
	Equivalent, in pounds sterling . ..	£ 2,670,192	£ 7,367,288	£ 10,037,480

WAYS AND MEANS.

Chapter.		Part III. In Netherlands.	Part IV. In India.	Total.
		Florins.	Florins.	Florins.
A	Produce sales	58,150,099	..	..
B	Various receipts	96,371	..	..
C	Department of War . ..	19,850	..	..
D	Ditto of Marine	565,377	..	..
A	Farmed taxes	..	12,724,187	..
B	Miscellaneous taxes . ..	..	18,758,412	..
C	Land rents	..	13,452,391	..
D	Produce sales	..	15,263,289	..
E	Miscellaneous receipts ..	400	895,645	..
F	Department of War . ..	..	91,000	..
G	Ditto of Marine	..	29,100	..
H	Supplementary items ..	..	403,650	..
	Total	58,832,097	61,617,674	120,449,771
	Equivalent, in pounds sterling . ..	£ 4,902,674	£ 5,134,806	£ 10,037,480

Part I.—Expenditure in the Netherlands.

Expenditure in Netherlands.

Department of the Interior.

	Florins.
Provincial Administration	2,800
Presents for native Princes and grandees ..	32,000
Printing and "Java Courant"	27,000
Surveys	15,000
Produce expenses	9,883,005
Forests	3,000
Letter post	64,000
Transport to and from India	92,000
Unforeseen expenses	25,000
Total	10,143,805

Department of Instruction, Public Worship, and Industry.

Mines	20,022
Miscellaneous expenses	27,000
Unforeseen ditto	2,000
Total	49,022

Department of Public Works.

Public Works	315,000
Telegraph	61,700
Railways	535,275
Unforeseen expenses	25,000
Total	936,975

Department of Finance.

Public treasuries	250,000
Stamps	2,070
Opium	618,750
Contribution towards covering the expenses of the mother country	10,619,555
Unforeseen expenses	50,000
Total	11,540,375

Department of War.

Personnel	1,675,791
Matériel	1,575,389
Unforeseen expenses	50,000
Total	3,301,180

Department of Marine.

Personnel	1,576,961
Matériel	1,915,289
Unforeseen expenses	50,000
Total	3,542,250

Pensions.

	Florins.
Pensions, allowances, &c.	1,759,811
Superannuated Fund	44,336
Medals	450
Furlough and half-pay	565,600
Miscellaneous	108,500
Unforeseen expenses	50,000
Total	2,528,697

Expenditure in Netherlands India.

PART II.—EXPENDITURE IN NETHERLANDS INDIA.

Governor-General's salary	160,000
Governor-General's travelling expenses, and Durbar Fund	113,800
Total	273,800

Higher Branches of the Administration.

Council of Netherlands India	151,200
Accountant-General's Office	368,640
Secretariat-General	330,478
Travelling expenses, &c.	5,000
Unforeseen expenses	2,000
Total	857,318

Department of Justice.

The Department	57,240
Judicial establishment	1,175,777
Police	290,924
Prisoners and convicts	966,751
Personal allowances	4,184
Unforeseen expenses	15,000
Total	2,509,876

Department of the Interior.

The Department	163,340
Provincial Administration	3,175,980
Native Administration	1,878,054
Native Princes, Ambassadors, and State prisoners	2,117,643
Extraordinary advances	75,000
Public festivals	21,066
Public safety	531,205
Printing and "Java Courant"	80,822
Agriculture and cattle breeding	76,128
Land Tax collection	1,787,792
Surveys	461,163
Miscellaneous culture	193,891
Coffee	15,004,419
Sugar	10,903,194
Spices	246,740

	Florins.
Pepper	33,597
Quinine	48,312
Birds' nests	28,334
Forests, &c.	658,585
Warehouses and magazines	421,801
Subsidy to the Netherlands Trading Company ..	140,000
Letter, parcel, and horse, post .. .	1,364,388
Transport and travelling expenses to and from Netherlands India	350,000
Personal allowances	43,152
Unforeseen expenses	150,000
Total	39,254,606

Department of Instruction, Public Worship, and Industry.

The Department	83,510
European instruction	682,743
Native instruction	227,183
Christian worship	514,304
Native worship	10,539
Arts and sciences	114,643
Medical service	447,364
Veterinary establishment	15,963
Charitable institutions	111,518
Chambers of Commerce	4,500
Superintendence of weights and measures ..	900
Mines	2,885,321
Salt, manufacture of	2,379,879
Personal allowances	11,364
Unforeseen expenses	300,000
Total	7,789,731

Department of Public Works.

The Department	79,780
Personnel of the water and other public works ..	543,504
Repairs of public buildings	1,808,762
New works	3,569,508
Other expenses connected with water-works and irrigation	67,748
Purchase of articles not in store	140,000
House rent	150,000
Steam power	31,940
Telegraph	813,310
Railways	1,140
Unforeseen expenses	250,000
Total	7,455,692

Department of Finance.

The Department	273,400
Public Treasuries	438,686

	Florins.
Ground tax assessment	22,950
Capitation tax on Chinese, Malays, and Parnakens	3,761
Leases	500
Tax on horses and carriages	11,231
Tax on the negro population in Amboyna and its dependencies	3,266
House tax	22,032
Stamps	35,274
Succession duty and probate	5,053
Impost on Siak fisheries	1,992
Imports and exports	592,847
Public sales	199,128
Opium	837,000
Registration of pawn-houses	2,500
Censorship of the press	250
Unforeseen expenses	125,000
Total	2,574,870

Department of War.

Salaries and allowances of the Governor-General and Commander-in-chief's staff	60,690
Salaries and allowances of the General Staff, and Technical Departments	925,832
Salaries and allowances of the army effective ..	6,676,692
Remounts	60,060
Salaries and allowances of military schools and bands	162,619
Expenses of military prisons	33,003
Ditto of military hospitals	1,000,866
Inspection and instruction of native corps ..	11,538
Local corps and body guards at Soerakarta and Djokdjokarta, pay and allowances of ..	130,397
Miscellaneous items of military expenditure, not included in the above	6,211,864
Transport establishment	17,860
Expeditions	500,000
Engineering works	2,048,199
Pay and allowances of those "en disponibilité" ..	10,853
Advance of pay	13,158
Personal allowances	240
Unforeseen expenses	100,000
Total	17,963,871

Department of Marine.

The Department	203,308
Naval establishments and magazines . ..	590,495
Geographical service	130,959
Hydrographical ditto	35,940
Harbour establishments	157,559
Buoys, lights, and pilots	269,939
Personnel of the navy	1,827,259

	Florins.
Matériel of the navy	1,256,444
Travelling and transport expenses	100,000
Unforeseen expenses	200,000
Total	4,771,903

Pensions, &c.

Pensions	1,355,000
Order of the Netherlands Lion	8,800
Half-pay, and furlough allowances	260,000
Miscellaneous expenses	7,000
Unforeseen expenses	125,000
Total	1,755,800

PART III.—RECEIPTS IN THE NETHERLANDS.

Receipts in the Netherlands.

Produce Sales.

Coffee.—840 piculs (49,560,000 Netherlands lbs.), at 40 cents. per ½ lb., less sale expenses and damage	39,090,765
Sugar.—730,000 piculs (40,880,000 Netherlands lbs.), at 34 florins per 100 lbs., less sale expenses and damage	13,566,816
Tin.—85,000 piculs (5,185,000 Netherlands lbs.), at 50 florins per 50 lbs. less sale expenses and damage	5,141,018
Nuts.—3,000 piculs (177,000 Netherlands lbs.), at 70 cents. per ½ lb., less sale expenses and damage	239,443
Mace.—900 piculs (52,200 Netherlands lbs.), at 80 cents. per ½ lb., less sale expenses and damage	80,702
Cloves.—1,100 piculs (64,900 Netherlands lbs.), at 25 cents. per ½ lb., less sale expenses and damage	31,355
Total	58,150,099

Various Receipts.

Royalty on the Billiton tin mines (900 piculs) ..	54,434
Contributions towards Civil pensions . ..	7,500
Receipts by the Colonial Office on account of Indian Administration	2,000
Refund by the Company on account of the Government survey of the Samarang, Soerakarta, and Djokdjokarta Railway, according to Article 25 of the concession	8,437
Moneys due from the above Company to the Government, under Article 81 of the concession	20,000
Refund of personal expenses in India, on account of the auxiliary fleet of the Netherlands marine .	4,000
Total	96,371

Department of War.	Florins.
Refund on account of hospitals and cemeteries in India	18,000
Refund of salary advances	1,400
Ditto of travelling expenses	200
Ditto of students' expenses	250
Total	19,850

Department of Marine.	
Refund on account of provisions supplied to the auxiliary fleet in India	370,000
Refund on account of pay and clothing	45,377
Ditto maintenance and repair of marine establishments in India	150,000
Total	565,377

Receipts in Netherlands India.

Part IV.—Receipts in Netherlands India.

Farmed Taxes.

	In Java and Madura.	In their Dependencies.
	Florins.	Florins.
Chinese poll tax	25,260	1,902
Slaughter of cattle, buffaloes, sheep, and goats	625,584	3,592
Slaughter of pigs, and sale of pork	49,968	57,279
Right of fishing in the Government lakes	..	4,705
Retail sale of arrack and other spirits	216,564	94,882
Sale of saguweer (strong drink extracted from palm-oil	..	18,025
Javanese and Chinese tabacco	154,800	..
Tax on trades and professions among natives, Chinese, &c.	140,520	..
Waijangs (Malay plays, license on)	6,420	..
Tolls, sluice moneys, ferries, &c.	73,176	3,840
Various taxes farmed together	120	135,994
The Thousand Islands	6,120	..
Birds'-nest cliffs	53,556	87
Pawn-houses	344,112	34,633
Retail sale of opium	9,287,520	904,230
Licenses on Chinese plays	223,380	179,176
Nipa-palms and brushwood	22,812	..
Sale of betel nuts	..	12,730
Tax on pepper	..	30,360
Gold mines	..	12,840
Total	11,229,912	1,494,275
Gross total	12,724,187	

Miscellaneous Taxes.

	Florins.
Imports and exports, depôts, &c.	7,800,000
Excise on tobacco grown in Java	113,827
Tax on the import and sale of tobacco ..	9,327
Harbour dues and pilotage	190,000
Stamp duty	540,980
Collateral succession among Europeans ..	67,581
Ditto natives (other than Javanese) . ..	30,482
Probate on real property	312,448
Per-centage on receipt of bazaars	5,188
Toll-gates and tolls	13,000
Hall marks	1,688
Tax on horses and carriages	224,621
Tribute of native Princes	12,160
Poll-tax of the Chinese, Malays, and Parnakens .	37,000
Tax on sales	665,935
Tax on ebony and teak	1,000
Receipts from the Government press . ..	34,700
Ditto, Post Office	440,000
Ditto, horse post	59,488
Ditto, telegraph	220,000
Ground tax	957,714
House tax	459,025
Hire of birds'-nest cliffs	3,010
Sale of salt	6,518,423
Tax on the negro population in Amboyna and its dependencies	40,815
Total	18,758,412

Land Rents.

Land tax	12,418,528
Fish-ponds	224,080
Leases of lands let to individuals	362,034
Leased woods and forests	440,000
Refund of advances for agricultural undertakings .	7,749
Total	13,452,391

Produce Sales.

Coffee—		
50,000 piculs	of Java coffee, at 40 florins ..	2,000,000
870 „	Java and Menado coffee, for home and ship-board consumption, at 44 florins	38,280
3,360 „	inferior coffee, at 15 florins ..	50,490
155,000 „	Sumatra coffee, at 42 florins ..	6,510,000
30 „	best quality, for home consumption, at 44 florins ..	1,320
30 „	second quality, as above .	1,320
Indemnity from Transport Company for short delivery		6,000
(Total coffee, 8,607,410 florins).		

	Florins.
Sugar—	
250,000 piculs, at 15 florins	3,750,000
Indemnity from Transport Company for short delivery, and private sales	201,500
(Total sugar, 3,951,500 florins).	
Spices—	
400 piculs cloves	10,800
Indemnity from Transport Company for short delivery	400
(Total spices, 11,200 florins).	
Pepper—	
400 piculs white Benkoelin, at 24 florins ..	9,600
2,500 „ black ditto, at 14 florins ..	35,000
(Total pepper, 44,600 florins).	
Birds'-nests	37,876
Wood	500,000
Tin—	
For home consumption	300
Indemnity for short delivery	10,000
(Total tin, 10,300 florins).	
Borneo coals	63,240
Rice—	
Advances to the Banka miners of 100,000 piculs, at 5 florins	500,000
Advances to individuals, at 10½ florins of 2,000 piculs	21,000
Sale at Menado	30
Indemnity for short delivery .. .	3,000
(Total rice, 524,030 florins).	
Opium—	
Java and Madura, 71,400 catties, at 20 florins .	1,428,000
Dependencies, 1,100 catties, at 20 florins ..	45,133
(Total opium, 1,473,133 florins).	
Various produce	40,000
Total	15,263,289

Miscellaneous Receipts.

Harbour receipts, Batavia	800
Sale of drinking water	2,500
Sale and hire of houses and lands	100,000
Fines and confiscations	180,000
Registration Office	6,402
Culture per-centages to be paid by contractors on produce left at their disposal	34,642
Restitution by the Regents of Tjandjoer, Samadang, and Limbaugan, of part of the cost of the depôts at Tjikao, Karang-Sambong, and Bandjar	1,150
Pension contributions	71,260
Civil law suits	7,410
School money from the gymnasium of William III.	27,960
Ditto, from Government primary school ..	64,021
Ditto, from native schools	16,500

	Florins.
Restitution of extraordinary advances in former years	245,000
Registration of pawn-houses	5,000
Contributions of the Regents and Chiefs of Boeleleng and Djembrana, towards the Government establishment there	33,000
Total	895,645
Department of War.	
Contribution to the Cadet School	1,500
Fines and other receipts proceeding from contracts for the delivery of clothing, furniture, provisions for hospitals, firing, lights, &c.	9,000
Refund for hospital attendance by officers and private individuals	80,000
Materials furnished on private requisition ..	500
Total	91,000
Department of Marine.	
Naval schools in ships of war	4,300
Use of Government docks by foreign ships of war and merchantmen	20,000
Sale of charts	3,600
Restitution by native crews of Government ships, on account of clothing	1,200
Total	29,100
Supplementary Items.	
Sale of civil stores	35,000
Sale of military stores—	
Clothes	90,050
Horses	7,200
Artillery stores, &c.	23,700
Medicines	5,500
Sale of naval stores—	
Stores to foreign ships of war	3,700
Coals to ditto	4,000
Sale of superfluous stores from the Civil Department	70,000
Ditto, from the Military Department . ..	15,500
Ditto, from the Naval Department	40,000
Miscellaneous receipts	109,000
Total	403,650

Ministerial explanations.

The Budget of Netherlands India must, according to Article 8 of the Law of April 23, 1864, be submitted to the States-General at the latest at the time appointed in Article 120 of the Constitution for the presentation of the Budget of the Kingdom. In the present instance the Government have availed themselves of the greatest legal

delay; they, however, regret this delay, acknowledge the advantage of an earlier presentation, and express desire, so far as depends upon themselves, to promote it in future. The materials for the making up of the Indian Budget for 1867 were received by the Colonial Department in November 1865, and it was consequently possible to lay that document before the Chamber on April 4, 1867. The draft Budget for 1868 was, however, only received at the Hague in June 1867—a date so late as to cause great public inconvenience, and even perhaps some confusion. The Colonial Minister, M. Hasselman, in the "Memorial of Explanation," which invariably accompanies the presentation of such documents to the States-General, expressed his regret that the recent retirement of M. Trakennen, his predecessor in office, and the accession of himself to the cares and responsibilities of the Colonial Office just at the moment of the preparation of this important annual paper, should likewise have tended to its delay in publication.

With these and similar guarded expressions M. Hasselman presented the preceding Budget as the estimate for the current year.

Comparison with Budget of 1867.

A comparison of this Budget with that for 1867 brings the following differences to light.

Increased expenditure, 1867-68.

In 1867 were voted for:—

	Florins	c.
Expenses in Netherlands	35,354,330	99½
Ditto, in India	87,646,945	65
Total	123,001,276	64½
This contained, however, items for supplies of all kinds still in store, available for future consumption, and, consequently to be deducted from the above.		
These were valued at	2,159,428	0
Leaving a total of	120,841,848	64½
This total includes the item "Contribution towards covering the expenses of the Kingdom"	15,856,334	63
So that the real expenditure for Netherlands India in 1867 was	104,985,514	1½

The actual demand for 1868 is:—

	Florins.	
Expenses in Netherlands	32,042,304	
Deduct contribution towards covering the expenses of the Kingdom ..	10,619,555	
Balance	21,422,749	
Expenses in Netherlands India ..	88,407,467	
Total	109,830,216	0
Being more for 1868	4,844,701	98½

Thus the Estimates for 1868 are framed higher than those for 1867:—

	Florins	c.
In the Netherlands by	1,924,752	63½
In Netherlands India by	2,919,949	35
Total as above	4,844,701	98½

The main points of difference between the Budgets for 1867 and 1868 are as follows as regards expenditure (Parts I and II).

In Part I less is allowed on account of cost of importation, sale, and delivery of Government produce, loss by exchange on silver specie, expenses of sending out supplementary troops, &c.

On the other hand, a larger sum is demanded for expenses in the Netherlands on account of transport and travelling expenses, post office, furlough allowances and marine.

The principal departures from the figures of 1867 as regards Part II are:

Less is required for spice and sugar cultivation, steam navigation communication with Australia, public works, and naval and military services.

On the other hand, higher estimates are found for the expenditure in Netherlands India on account of the Judicial Department, purchase of coffee, the Java survey, the re-organisation of adminstration in the Linga Archipelago, education, the mines of Banka, harbour and irrigation works, extension of the telegraph, loss by exchange on bills drawn by the Minister of the Colonies, civil pensions, furlough allowances, and increase, to the extent of 500,000, on salaries of native Chiefs and officials.

Income.

Falling off in Receipts, 1867–68.

By the Law of September 16, 1866, the Ways and Means of Netherlands India for 1867 were fixed as follows:—

	Florins	c.
In Netherlands	60,581,420	64½
In Netherlands India	60,260,428	0
Total	120,841,848	64½

The Estimates for 1868 are:—

	Florins.	Florins	c.
In Netherlands	58,832,097		
In Netherlands India ..	61,617,674		
Total		120,449,771	0
Being less for 1868 by		392,077	64½

Ways and Means are thus estimated:—

In Netherlands less than for 1867 by ..	1,749,323	64½
In India more than for 1867 by ..	1,357,246	0
Difference as above ..	392,077	64½

The causes of this difference will presently be explained.

Expenditure on account of Dutch Indies Navy, 1867–68.

One of the items in the Netherlands India expenditure account most requiring explanation occurs in Part 1 (expenses in Netherlands), and provides for contributions towards the maintenance of the Netherlands navy. A Royal Decree, dated November 16, 1866, is the document by which this division of the marine expenditure of the Kingdom between the Netherlands and India is now regulated. Article 2 of this Decree declares that the Ministers of the Colonies and Marine acting in concert, shall amicably determine what strength of the navy is required in Indian waters for the following year, and is consequently to be charged to Netherlands India.

This Decree was communicated to the Chambers in 1867, and was to take effect from January 1, 1868; under its provisions the following is regarded as the Netherlands Indian navy for 1868:—

Netherlands India Navy.

	Crews.
Screw-steamer, 4th class, "Haarlemmermeer" ..	75
,, ,, "Cochoorn"	75
,, ,, "Den Briel"	75
,, ,, "Aart van Ness" ..	75
,, ,, "Maas en Waal" ..	75
Paddle-wheel steamer, 1st class, "Ardjoeno" ..	150
,, ,, "Amsterdam" ..	150
,, 2nd class, "Bromo" . ..	125
,, 3rd class, "Cycloop" ..	90
,, ,, "Borneo" . .	90
,, ,, "Sumatra" ..	90
,, ,, "Banka" . ..	90
,, ,, "Timor" . ..	90

	Crews.
Paddle-wheel steamer, 4th class, "Surinam" ..	70
" " "Madura" ..	50
" " "Admiral van Kinsbergen"	40
" " "Celebes" ..	50
" " "Onrust" ..	40
Guardship at Batavia	122
" Soerabaija	120
" Macassar	82
Survey vessel "Pylades"	28
Europeans	1,852
Add, 10 per cent. of natives ..	185
Total	2,037

Auxiliary Squadron.

Screw-steamer, 1st class, "Willem"	212
" " "Leeuwarden"	212
" " "Curaçao"	212
" 2nd class, "Watergeus"	100
" 3rd class, "Vesuvius"	100
" " "Reinier Claessen" ..	100
" " "Bali"	85
Europeans	1,021
Add, 10 per cent. of natives ..	102
Total	1,123

All charges on account of the "Netherlands Indian navy" are paid by Netherlands India. Of the "auxiliary squadron" only such of the personnel as are drafted into the "Netherlands Indian navy" are paid by the Colonies, all other charges being borne by the mother-country.

On these Tables the Estimates for 1868 are framed.

During 1867 (previous to the application of the above-mentioned Decree) the following monies were specially voted on this account:—

Personnel.

	Florins.
Part I.—Expenses in Netherlands	5,851
Part II.—Expenses in India	3,000,000
Total	3,005,851

The Estimates for 1868 are:—

Part I.—Expenses in Netherlands	1,576,961
Part II.—Expenses in India	1,827,259
Total	3,404 220

	Florins.
But from this must be deducted, on account of items chargeable to Chapter VI (Navy) of the General Budget	437,377
Total	2,966,843

Being less than in 1867 by 39,008 florins.

Matériel.

1867.	Part I.—Expenses in Netherlands ..	1,119,580
	Part II.—Expenses in India . ..	1,400,000
	Total	2,519,580
	Part I.—Expenses in Netherlands	1,915,289
	Part II.—Expenses in India	1,256,444
		3,171,733
	Herefrom deduct as above	150,000
	Total	3,021,733

Being more for 1868 by 502,153 florins.

Thus in 1867 Netherlands India paid on account of Netherlands navy :—

	Florins.
Personnel	3,005,851
Matériel	2,519,580
Total	5,525,431

And for 1868 is demanded :—

Personnel	2,966,843
Matériel	3,021,733
	5,988,576
Add, for other naval charges	2,325,577
Making a total of	8,314,153

Or, in round numbers, four-sevenths of the whole Netherlands Navy Estimates for 1868, thus showing an increased charge of 463,145 florins on 1867.

The increase under the head "matériel," was due to the decision of Government to make a beginning in the construction of a sea-going iron-clad fleet, capable of protecting insular and coast possessions.

Modes of framing the estimates.

The method of estimating the Netherlands India income for 1868, next demands attention.

It was formerly the custom to determine the price at which Government Colonial produce should be sold in Netherlands markets, not only by the quantity available

for sale, but also with a due regard to maintaining favourable prices. In the preceding estimates, however, this practice, and the calculation of prices on a ten years' average, have been abandoned, and in all cases the last year's quotations, or the actual market value, have been accepted as a standard. In the absence of unforeseen events, no great variation in prices is anticipated by the Government; and the estimates of produce sales have been generally accepted by the Second Chamber and the public.

The revenue incomings within Netherlands India (for it must be remembered that Colonial produce is almost all sold in Holland), are estimated on a different system. The income for 1868 is framed on an average of the years 1863, 1864, and 1865, that for 1867 having been fixed on an average of 1862, 1863, and 1864. The similarity in the two estimates is thus explained. This plan is as yet the best that has been devised for ascertaining in advance the probable proceeds of certain branches of taxation. Experience has taught, however, that although the best yet devised, the existing system of calculation is seldom justified by the results; and the Colonial Office is in active correspondence with the local Governments of Java and its dependencies, with a view to hitting off a more accurate and infallible index to the proceeds of future taxation.

Debate on Budget with amendments.

Almost immediately after the presentation of this Budget, and before it could be discussed, the Second Chamber of the States-General was dissolved by the King, on a question of foreign policy, a vote of credit for six months on the estimates was therefore taken, and the task of discussion was reserved for the new Parliament. This met on the 25th of February, and shortly after devoted its energies to Colonial affairs. The discussion of the Indian Budget occupied ten days, was conducted with some warmth, and displayed great knowledge of, and attention to, minute details. Each item of income and expenditure was very closely investigated and canvassed, a course which, in the face of the great divergencies of public opinion on East Indian matters in this country, unavoidably gave rise to many personalities, and much mutual recrimination. In the end, however, some concessions were made on both sides, and after numerous amendments had been adopted, the Budget was accepted by the country. These amendments were, one and all, in the direction of

economy, and taken together effect a saving on the foregoing estimates of 1,000,000 florins in round numbers ;— a sum by which the Colonial surplus should find itself credited if the circumstances of the year justify the expectations of Ministers. The two most important amendments were as follows: — One reduced the estimates on account of the Netherlands Indian Navy (matériel) by 730,000 florins, which it had been intended to devote towards the purchase of a sea-going armour-plated ram, thus reducing to a slender figure the means available in 1868 for the execution of the avowed intention of making the commencement of an iron-clad fleet. The second was aimed at an appropriation of 200,000 florins in round numbers towards completing a strong military position in the interior of Java. This has long been deemed essential to the defence of the Colony against a European, if not a native enemy, the ports of Batavia, Samarang, and Cheribon being practically defenceless, and the whole seaboard (with the exception of Soerabaga, which is strongly fortified), being open to attack. The various other amendments were trifling in character and amount, and of interest only as affording frequent opportunities to the different parties in the Chamber for trials of their political strength.

Financial value of Java.

From the foregoing Budget, thus amended, the financial value of Java and its dependencies is self-evident. The principal advantages accruing to the mother country may be roughly summed up as follows :—

First. The annually recurring item of "Contribution towards covering the expenses of the Kingdom," an item varying with the harvests of each year, and this year estimated at 890,000*l.* in round numbers.

Secondly. An item of about 1,000,000*l.* sterling, set apart for the support of the Dutch military forces in Netherlands India.

Thirdly. A sum of over 500,000*l.* sterling, towards the maintenance of the Dutch navy in the Eastern Seas.

Fourthly. A sum exceeding 250,000*l.* sterling for salaries and pensions to Europeans, that is to say, Dutch functionaries.

These direct advantages, to which must be added the countless indirect advantages accruing from the diffusion of wealth, patronage, and promotion to every branch of

official and non-official life, may surely account for and justify the universal interest felt in Holland in the "great Colonial question."

The Dutch Colonial question.

This question has already been defined in its simplest form; but being of a nature to enlist every human sentiment and passion, alike the love of gain and the loftiest philanthropy, it is capable of assuming in the course of argument every variety of shape, and of embracing theories the most conflicting and opposed. Under these circumstances it cannot afford cause for wonder that a large space in every newspaper and periodical, and a large percentage of the books annually published in Holland, should be devoted to so inexhaustible a theme; and still less is it strange that so popular a theme should draw into its service the pens of every class of writer. A few specimens of such writings, illustrative of the Colonial question in its most popular shape, have been selected and now followed. Taken separately they do little more perhaps than express the individual ideas of the writers and their partisans; but collectively they give a perfectly fair index to the state of feeling in the Netherlands on this subject. The first specimen is a *verbatim* translation of a paper which appeared in the "Tijdschrift voor Nederlandsch Indie" for January 1868. This is a monthly periodical, devoted almost exclusively to the consideration of Colonial affairs, and edited for many years with great ability by Baron van Hoevell. It numbers among its regular contributors more than one ex-Minister for the Colonies, and is unquestionably the most powerful exponent of public opinion on the subject. The following extract is on the question whether the welfare of the Javanese has increased under the culture system as conducted by forced labour:—

Extract from the "Tijdschrift" on the prosperity of Java under the culture system.

"In the 'Economist' of October last, Mr. J. Pierson says:—'We see that the welfare of the Javanese has increased under the culture system. Has this increase taken place in consequence, or in spite, of this system?'

"The proposition, that the welfare of the population has increased under the culture system, is here announced by this esteemed writer as an obvious and universally acknowledged fact. He affords us no proofs, but makes the assertion as an example of how difficult it is in political economy to determine the causes of results that we observe. The writer has elsewhere made known that he is by no means an out-an-out admirer of the culture system;

and even in the above question we find a kind of half denial of the doctrine that the increased welfare of the Javanese is owing to this very culture system. Had Mr. Pierson answered his own question, we believe we should have had from him an entire denial of such a doctrine. But yet he seems to attach himself to the conviction that the welfare of the Javanese has increased during recent years, and this proposition seems to him incontestable.

"We, on our side, maintain that Mr. Pierson has made an unlucky statement, and that it is difficult to prove that the welfare of the Javanese has increased either under or owing to the culture system. In the June number of this periodical, some facts were given to demonstrate that there is going on a decrease and not an increase of welfare. But the facts therein cited do not stand alone. Increased welfare of a population should, we maintain, show itself by increased production of taxation, and by increased consumption. The Government returns, however, prove the opposite to be the result.

"The first official census of Java that we possess is that of 1846. The population then amounted to 9,360,000. According to the last published Report (1864), it had risen to 13,704,000. During that period, therefore, the population had increased by 4,344,000, or 46 per cent. In 1846, there was poverty, and no welfare. To prove, therefore, that greater prosperity now reigns, it should be shown that consumption, produce, and taxes have increased at a higher ratio than the population, *i.e.*, by more than 46 per cent.

"The Returns of taxation bearing on consumption were:—

	In 1846.	In 1864.
	Florins.	Florins.
"Land tax	9,396,679	10,609,551
Farmed taxes	12,755,520	11,094,600
Salt monopoly	3,963,101	5,031,578
Import and Export duties ..	7,381,655	6,459,082
Total	33,496,955	33,194,811

"This shows a perceptible decline in 1864. In 1846, the population contributed to these ways and means 3·57 florins, and, in 1864, hardly 2·46 florins per head.

That is, for the last year given, 1·15 florins, or 31 per cent., less per head.

"If in 1864, the population had been able to produce and contribute towards taxation at the same ratio as eighteen years before, the Returns for 1864 should have amounted to 48,923,280 florins, or nearly 16,000,000 florins more. And when one thinks of the orders of the Supreme Government respecting the 'steady increase' of the (Colonial) surplus, one must believe that rather a larger than a smaller sum would have been exacted from the population if their poverty had not prevented it.

"The above figures therefore, according to our lights, prove a decrease of welfare; and we are strengthened in this opinion especially when we consider the sale of salt. Salt is one of the first necessaries of life. Even in 1846, the Javanese consumed extremely little, too little, of that article. The consumption amounted at that date to 42 cents per head; in 1864, it had fallen to 37 cents. Still more remarkable is a comparison with 1845, when the consumption amounted to 47½ cents per head.

"Other figures give results no more favourable. In 1821, the exports of Java amounted to 24,455,700 florins, and the imports to 20,855,000 florins. The Javanese, who could then freely dispose of land, labour, and produce, were therefore able at that time to re-purchase in imports 85 per cent. of the value of their exports. At the same ratio, the native population in 1864 should have taken 90,000,000 florins' worth of imports, or 55,000,000 florins more than they actually did. In that year the value of the imports scarcely amounted to 33 per cent. of the exports. From these figures one may guess to what extent our trade and industry might flourish if we exhausted Java less, and did not keep the Javanese themselves so poor.

"But it will be thought natural that, under the culture system, the value of the exports should have increased beyond the ratio of the imports. Let us, then, compare the years 1846 and 1864 from this point of view.

"Imports in 1846 amounted in value to 26,876,623 florins, or 2·87 florins per head, and in 1864, to 36,314,600 florins, or 2·65 florins per head. If increasing at the same ratio as the population, the imports in the last-mentioned year would amount to 39,330,480 florins. There is thus,

as compared with the increased population, a decrease in purchasing power of 3,000,000 florins.

"The supporters of the culture system point only to the increase in the figures of consumption and production. Mr. Pierson will admit that absolute increase betokens nothing; that increased welfare can only be spoken of when consumption and produce increase in the same ratio as the population. That the above figures testify to decrease in welfare must consequently be admitted pending proof to to the contrary, which we hope may be forthcoming. In a matter of such importance it is absolutely necessary to arrive at the truth. In questions of such magnitude, no doubt should be allowed to subsist.

"If these proofs of progress should be produced, no alternative will be left than that the welfare of the Javanese has increased in spite of the culture system. But every one knows that production steadily decreases from year to year, and that the population earns less and less. The following figures prove this incontestably.

"When we compare the coffee crops of former with those of recent years, we find it necessary, on account of the great variation in the annual crops, to strike an average of at least three years: 1864 was a very unfavourable coffee year, but it was preceded by a singularly favourable one. Let us therefore take the years 1862–64, and compare them with 1844–46.

"The coffee crops produced—

	Piculs.		Piculs.
"In 1844 ..	949,820	"In 1862 ..	663,483
In 1845 ..	632,657	In 1863 ..	1,120,669
In 1846 ..	873,055	In 1864 ..	436,721
Total ..	2,455,532	Total ..	2,220,873
Or, an average of .	818,510	Or, an average of.	740,291

"The decreased production is apparent

"We arrive at no better result if we compare the pecuniary Returns of the total forced cultures in the above periods. But in order to do this correctly, and to make the conditions comparable, we must take average prices for both periods. In this way we get for 1846 :—

	Piculs.	At Fl. c.	Florins.
"Coffee	818.510	46 0 =	37,651,460
Sugar	1,105,102	16 75 =	18,510,460
	Amsterdam lbs.		
Indigo	1,453 356	4 0 =	5,813,424
Tea	927,957	0 56 =	519.637
Cinnamon	186,060	0 60 =	111.642
Cochineal	62,737	1 73 =	108,535
	Piculs.		
Tobacco	25,575	50 0 =	1,278,750
Pepper	2,105	10 0 =	21,050
Total value of produce	..	..	64,014,958

"In 1864, we get at the same average prices :—

			Florins.
"Coffee	Piculs ..	740,291	34,053,386
Sugar	,, ..	1,695,301	28,396,291
Indigo	Amsterdam lbs.	452,798	1,811,192
Tea	,, .	790,655	442,766
Cinnamon	,, .	167,305	100,383
Cochineal	,, .	12,074	20.288
Tobacco	Piculs ..	4,588	229,400
Pepper	..	..	..
Total value of produce .	..	..	65,053,706

"Thus in 1846, 9,360,000 Javanese produced 64,014,000 florins, or 6·84 florins per head; while in 1864, 13,704,000 Javanese produced only 65,053,706 florins, or 4·75 florins per head, *i.e.*, 2·09 florins less per head than eighteen years before. From this it appears that if it had been possible to maintan forced culture at the same standard as in 1846, the natives must have produced in 1864, 2·09 florins per head more than they actually did; and in that case the culture system would have produced 93,735,360 florins, or 28,000,000 florins, in round numbers, more than it did.

"It must be known, also, that since 1864, the Government has entirely given up the culture of indigo, tea, cinnamon, cochineal, tobacco, and pepper, which altogether produced in 1846, 8,000,000 florins, on account of the loss they caused to the Treasury. Thus, although the planters of these cultures did not earn half a day's wages, the Government, as producer, and trader, has been compelled to stop their cultivation.

"Whoever will reflect on these incontrovertible facts,

and it is a Dutch national duty to do so, may easily answer the question as to whether compulsory labour in Java is productive and conducive to the prosperity of trade and navigation. Facts reply in the negative, and prove that the natural laws of labour and production are as applicable in Java as elsewhere. But if this cannot be denied, how long shall we permit our common sense to be imprisoned and ourselves to be deceived, and so shamefully neglect, not only our duty to the Javanese, but also our own interests?

"At the same ratio per head of production and tax-bearing capability as in 1846, the Javanese should, in 1864, have grown 28,000,000 florins' worth of produce more, should have earned 40 per cent. more, and should have borne 16,000,000 florins more taxation. And we impose upon ourselves the belief that all this isfavourable to us and furthers our interests!

"If the population has continued to increase at the same rate as formerly, it may be estimated that in 1867 there were 5,000,000 more available for labour than in 1846. On the other hand, as has been said, the Government cultures have been reduced, and with them the means of earning a livelihood, without this loss being compensated by a corresponding increase in private cultivation. The population, finding neither work nor wages heaps itself up in the 'dessas' (villages); each one's share in the rice fields and the crops diminishes each year, while the price of food rises to a frightful extent. And why? Because we refuse to open up the many thousands of acres of waste lands in Java to colonists, who would entice the natives, now of necessity idle, to work, and convert them into industrious beings, whom good wages would render capable of providing for the maintenance of their families.

"The present unnatural condition of things brings the Javanese to constantly increasing poverty. Compelled by necessity, they are beginning to organize themselves in bands of considerable numbers, who spread plunder, murder, and terror, in all directions. The population are becoming more and more demoralized by our conduct.

"The phenomena we now observe in Java are the same which exhibited themselves in exhausted France before 1789. There they were precursors of revolution. Shall we also not heed these signs, and passively await the result?

Do we not see what must happen if we do not ask ourselves if we are justified in letting millions of men run wild, wholly or partially idle, and consequently condemned to misery and crime—misery and crime in a fruitful land where they should find welfare and progress, did we not, in opposition to the laws of God and man, close three-fifths of that land to labour?

"Sad blindness in a civilized people like ours, that shows itself deaf to all warnings, and remains indifferent to the most powerful proofs that Java would produce three times as much as she does if we would only revert to the natural track, pursuing which all nations flourish and become rich—a track which can be followed without self-reproach, and without the fear of robbery, murder, and rebellion, on the part of a well-to-do population."

Without offering any opinion on this remarkable article, further than to state that the statistics therein quoted have as yet met with no refutation, and appear, so far as it is possible to examine them, to bear comparison with the various official returns periodically published, it is proposed to pass to another paper of slightly different character. This paper is entitled, "Herrendiensten" (feudal labour), and is an extract translation from the issue for February last, of the "Tijdschrift." It contains a description of how public works in Java are sometimes executed; and, although as a mere narrative unattended by proofs it is less valuable than the preceding paper, yet it acquires credence from the high reputation of the periodical in which it appeared, and is of itself not without interest.

Extract from the "Tijdschrift," on feudal labour in Java.

"The transactions of the Royal Institute of Engineers for 1867-68 contain a Report on the damming up of certain ravines in 1863, by Mr. J. G. van Gendt, who was at that time serving on the Committee on means of communication in Java. In this paper some very important data are given respecting works, especially such works as dams and aqueducts, which are said to have been carried out in the most satisfactory manner, and without real inconvenience to the native population. All who remember what has been so often expressed by technical people on this subject will not, it is true, be astonished at what is now communicated by M. van Gendt, indeed, they will learn nothing new. Yet while the dozing Netherlands people allows itself to be deceived by all manner of stories,

it is not superfluous to repeat things which, to those who possess a healthy understanding, require but little demonstration.

"Of the dams in Pasoeroean mentioned by M. van Gendt, two, those of Pidak and Tanah Wangie, were projected for the good of hired lands (*i.e.*, under private cultivation). The men employed on the first of these undertakings received 25 cents a-day each; those employed on the second received 35 cents. The dams of Amprong and Soerak were made by feudal labour. Each man received per diem: 1 cattie (6 Dutch ounces) rice, and $\frac{1}{40}$ cattie salt. The remaining dams were made by feudal labour without payment or remuneration of any kind. Among them was the great dam across the River Metra in the Sengara district, which was executed under the personal superintendence of the Regent. According to official returns, the following force laboured at this work:—

"400 men with the spade.
400 men with the mattock.
400 men dragging timber."

"The superintendence consisted of:

"The Regent.
3 Wedanas (Chiefs of districts).
5 Bekels (Chiefs of villages).
90 heads of villages.
150 servants of above, including cooks, grass-cutters, syces, &c.
40 musicians.
20 dancing-girls.
12 trumpeters.

"Making a total of 1,521 people, who worked during nearly a hundred days, and who, reckoning one with another, would have earned 26 cents a day each, if they had been paid according to their labour, since the dam, if made under European superintendence, and with the aid of the best implements, would have cost about 40,000 florins. Yet it is probable that the Regent in reality set a much larger number of people to work than he stated.

"Although it is difficult," says M. van Gendt, "to say exactly in figures what misuse the chiefs make of the population, it may, I think, be stated without exaggeration, that two or three times the given number are usually employed;" and this belief is shared by such Controllers as have had to do with the making of dams, and have taken the trouble to go into the question.

"The administration is unfortunately so organised as to make it easy for the Chiefs to practise these abuses unobserved and unpunished; for the dull Controllers are not acquainted with the numbers of men in each district, of whose services the Regent rightfully disposes; and the labourers themselves are entirely ignorant of the orders of the Government, and only know that they receive punishment if they do not obey the call of the Regent and his officials.

"From the preceding it is easy to deduce that while little or nothing is paid for forced labour, the day's work is not less inconsiderable. Earth is generally carried in baskets, or in mats hung between bamboos, and carried by two Javanese. At Pakkies, where M. van Gendt had the opportunity of examining the working of this system, the labour was conducted as follows:—A basket contained on an average 0·019 of a cubic yard of earth; 540 basket loads were carried every hour; 481 labourers were employed in filling and carrying; each man worked nine hours a day. Consequently, the labour of one man per diem amounted to the removal of one-fifth of a cubic yard of earth. It has been proved that at the dam at Tetuga in the hired lands of Alkmaar, where the labourers were under better supervision, the rate of work was double. Works executed for private individuals, and on payment, are thus cheaper than those made by feudal labour; unless, indeed, one puts out of the reckoning the labour of a few thousand additional men, because they are entirely or partially unpaid. The Government that follows this practice, and thus finds small figures in its books, will find a greater deficit in the produce deliveries than the amount of its saving in wages. Every year hundreds of thousands of florins are lost in the most populous Residencies; for instance, in Pasoeroean, for lack of hands to pick the coffee.

"Not a bad notion! The coffee culture system injured by feudal labour, and feudal labour taken under protection chiefly on account of these cultures. What is most apparent in all this, is shameful misgovernment and reckless squandering of working power. But what does it matter? Lessons in political economy are never valued by an Oriental Company. M. van Gendt, therefore, probably gives himself useless trouble in pursuing the reasons which make feudal labour so expensive.

"According to him these reasons are as follows:—

"1. Because the workman has no incentive to displaying zeal in his work. Each village must contribute its contingent on the day fixed, and the gangs remain at work for five unbroken days. Some live ten or twenty 'palen' (miles) off, and thus lose seven days, counting their journies to and fro. What can be expected of men kept seven days from their work and their families, compelled to labour, and supplied at most with just sufficient food to support life? Often they do not get this.

"2. Because the larger proportion of forced labourers are not fitted for their work. In Holland, two or three florins a day are more willingly paid to 'polder-men,' who have been brought up to work with the spade, than 90 cents or 1 florin to common boors, who are not masters of their shovel and wheelbarrow. The Javanese who are employed on earthworks are generally unacquainted with the proper use of the spade, and are, moreover, too weak for the work.

"3. Because the supervision of the chiefs is insufficient. On this point M. van Gendt expresses himself so ably that we must make a long quotation:—'The Chiefs work upon the people by continuous pressure and influence. Labourers are seldom seen standing still; they are always wandering about among each other on some pretence with a "microscopical" rapidity. When everything is in motion and continues to be so, the Chiefs think they have done their duty.

"'The gamelan (a musical instrument), and the deafening Javanese trumpet, help them in their activity; and the part which the Regent, wedanas, heads of villages, dancing girls and musicians take in the work, corresponds in a manner to that of the singers on our scaffoldings for the ramming in of piles.

"'It is certain that these musical and merry people produce a useful effect, corresponding to their wages, in a well-organised gang. But here the gang is not well organised. The lever-man throws away his lever to play the part of rammer, without being replaced at the lever. The work does not stand still, but order and regularity, system and management, are wanting. Innumerable labourers are seen dragging their baskets of earth up to their knees in mud, or climbing up an incline of 45 degrees, and losing half their burden on the way, while close by

there is a dry path leading to the same place. But even if one of the heads of villages did remark this neglect to use a better path, he would not dare to mention it; for on the path stands a wedana under the shade of his umbrella, chewing betel-nut—the only sign of life he gives; or may be it is a path along which the Regent is carried in his sedan-chair, and it would be dirtied by the coming and going of the labourers. Not seldom does it happen that earth carried in the morning is brought back in the afternoon to the place whence it originally came; that the coolies are posted so thickly in a narrow place that of a hundred men hardly ten can work; that the bridges are so narrow that a hundred coolies are constantly kept waiting for an opportunity to cross.'

"In the Malang district M. van Gendt saw a teak timber of about 1,500 lbs. weight, dragged over the ground by twenty-four buffaloes, accompanied by twelve coolies, and a village chief on horseback. The cost of transport was 1 florin 60 cents a paal (1,500 yards). Had a timber waggon been used, the cost would have been 42½ cents a paal, and six buffaloes and five coolies would have been sufficient. Then why was this not used? Perhaps because the Javanese do not get on well with strange implements. This is one of the theories that M. van Gendt does not believe in; and he is right, for the contrary has been proved. No, it is because implements, however simple and cheap, would cost money, whereas the Treasury does not suffer if the heads of villages force more hands to work than ought to be necessary. 'I will not speculate,' says M. van Gendt, 'on how much of the power of the population is lost by such practices; on how much material and intellectual progress is thereby retarded; nor on how many millions of florins are lost for every thousand saved.'"

Forced labour is thus the battle-horse of the Colonial question, brought forward on all occasions, and made use of both in the attack and the defence of the existing system. Before, then, quitting this branch of the discussion, and at the risk of proving tedious, two more extracts on the subject will be given. The first is from the pen of M. Mirandolle, a writer of considerable weight in this country, who strikes boldly at the root of the question from a moral point of view. The second writer quoted argues the same case; that is, writes with the aim of dissuading his countrymen from continuing the forced

labour system, but addresses his arguments rather to their pockets than to their better feelings.

M. Mirandolle on compulsory culture.

The first extract reads thus :—

"The *extent* of compulsion employed does not signify here, and has nothing to do with the justification of the system; we must consider the character of the people and the taxation to which they are subject. Thus, with regard to coffee culture, in Java we have extended the exercise of compulsion both to culture and delivery, as the character of the Javanese permitted. In Sumatra, where the people are not so submissive, delivery alone is compulsory, and culture is left free. That compulsion exists among a population where a picul of coffee worth 40 florins is delivered for 11, 12, or 13 florins, needs no proof; and the injury to the population and the benefit to ourselves cannot be denied. One may seek to justify the difference in price of 27 florins by the argument that the Government has a right to raise its taxes; but never can one prove that it has a right to hamper the former in the disposal of his crops. The 'extraordinary similarity between the results of free and forced labour,' which is argued from the fact that in Java, under forced cultivation and forced delivery of coffee, the same price per picul was paid (viz., in 1866, 12·50 florins) as in Sumatra, where cultivation is free but delivery compulsory, cannot be allowed to pass unchallenged; since in each case the price is decreed by Government *ex plenitudine potestatis*, neither the worth of the produce nor the will of the producer being regarded.

"We willingly agree with the supporters of the culture system that a Government has the right to pour into its Treasury, and use for its general maintenance and support, the net profit on the sale of produce that is grown under the system that is due to its own energy and supervision, provided cultivation and delivery are free, but not when compulsion is necessary and is resorted to by Government, for then it ceases, as it were, to be the culture system, and becomes taxation in labour and in crops; and the moment it assumes this character, the proceeds must be dealt with in conformity with the rule prescribing that Indian taxation shall be applied to Indian uses."

Such are the lofty views of M. Mirandolle. He is a disciple of the school now gaining ground in Holland that considers the culture system established by General van

den Bosch, like all human inventions, an adaptation of the means at his disposal to the requirements of the age; that progress in the science of political economy, together with the necessity for emigration, which characterize the present stage of European civilization, now point to opening up the lands of Java to public competition and private enterprize, and to relieving the Dutch Government from the necessity of keeping up an antiquated policy of exclusion and monopoly; and, lastly, that the days are past for Governments to confide, with advantage or propriety, the chances of a favourable balance sheet to market fluctuations in the price of household groceries.

This last proposition finds an able advocate in the writer of the following and concluding extract :—

Extract from the "Tijdschrift," on the decrease of Colonial supplies.

"In order to arrive at a clear impression of the influence of a rise or fall in the price of coffee on our Colonial Budgets, one must be aware, first, that with the quantity of coffee annually sold, a rise of 1 cent per lb. causes an increase in the revenue of upwards of 1,000,000 florins; and, in the second place, that in 1848 coffee fetched 19 cents per lb., and in 1863 and 1864 from 45 to 46 cents. This fully explains the large surpluses we have had since 1848; and it must be remembered that during this period our expenses have undergone a steady increase.

"But the price of coffee cannot rise for ever; since 1864 it has gone back from 7 to 8 cents, and there have been moments when it was threatened with even a greater fall.

"Shall the actual prices always be maintained? No one can affirm this with certainty. But events are preparing which must have a great effect on the price of coffee. Think of the amazing rate at which coffee is being planted in British India; being planted on such a gigantic scale as already, according to private accounts, to equal in extent the coffee plantations of all Java. When once this coffee is thrown on the European market, the price of the article will assuredly not rise.

"On the other hand, we have the constantly increasing expenditure; and while formerly it was chiefly the expenditure for War and Marine which burdened the Budget, and made it seem as if, for the support of the culture system, the bayonet system were a necessity, it has now been recognized that costly reforms in the civil adminis-

tration of each province of Netherlands India can no longer be postponed.

"More especially since 1864, the expenditure has been raised by these items. It has not been the Liberals only who have raised the Indian Budget, but even the Conservatives have been unable to withstand the force of circumstances. The expenses for 1868 are thus estimated at 5,500,000 florins higher than those of 1867. The natural result of this is that the surplus payable to the mother-country shows a considerable and corresponding decrease. In the Budget for 1867 we saw this item expressed by a sum of 14,856,335 florins (estimated in 1866 at 16,231,790 florins), while the Budget for 1868 only estimates under this head the sum of 10,619,555 florins.

"One sees thus the expenses rising from year to year, while the Colonial surplus diminishes and must soon disappear altogether; and should a failure of the crop, or even a less than usually favourable crop, occur, or the price of coffee fall a few more cents, a deficit in the Netherlands India Budget must result, which from its connection with our finances, must lead to a financial crisis fatal to our progress and development.

"See, then, the condition to which the culture system, and one firm adherence to it up to the present moment, have brought us. We stand as it were on a volcano, the eruption of which can only be prevented by a speedy solution of the Colonial question.

"This question is now the order of the day, and it only remains to be decided what direction such solution shall take—the direction of liberty, or of increased compulsion."

Though some exaggeration may perhaps be found in the wording of these extracts, the fact therein set forth of the existence of a very grave Colonial question is denied by none. For thirty years Java has made good every deficit in every branch of Dutch Colonial and domestic administration. This, stated in figures, would show that island to have produced, under more or less compulsion, Colonial products (chiefly coffee) of a value bordering on 100,000,000*l.*, and large as this sum is as compared with a population which has increased during those thirty years from 9,000,000 to 13,000,000 in round numbers, it may certainly be regarded as below the truth, when the deduc-

tions in kind to native Chiefs and others, both before and after they reach the Government depôts, is taken into consideration. At this point it is difficult not to advert to the dreams of Mr. Money as to what might not have been derived from British India under a similar system of administration; and if Ceylon and the West Indies are embraced in such a speculation, it would not be difficult to prove that the national debt of England might in such manner have been paid twice over.

Fortunately, however, for our good opinion of ourselves, the so-called "mild Bengal Hindoo" is, as a Dutch writer has pointed out, of very different mould from the so-called "turbulent Javanese;" and when the difficulties which grew in Hindostan out of Act IX of 1860 bearing on forced indigo cultivation are remembered, one may well discard such dreams as never having been within the limits of practical realization.

Correction of Mr. Money by the Dutch Colonial Office.

It is now an easy and natural transition to turn to the consideration of Mr. Money's figures, as corrected by the Colonial Department, since it is to him that the public is primarily indebted for an insight into the pecuniary value of the Island of Java to the mother-country. The compilation of the Parliamentary papers containing these corrections caused considerable embarrassment to the Dutch Colonial Office, which, not content with the rectification of errors, deemed it a duty to institute a laborious and futile search for the materials whence Mr. Money managed to get information, generally so accurate, but at times so faulty. This investigation entailed repeated references to Java, and necessarily retarded somewhat the submission of these documents to the States-General. The gist of the papers (which themselves enter into close details of fluctuations in the price of coffee, &c., since 1817) may be sufficiently conveyed for generally purposes in the following tabular form:—

The first column represents the "East India balance in Holland from 1834 to 1857," as given in the "Comparative and Relative Table of the Revenue and Expenditure of Netherlands India from 1817 to 1857," at the end of Vol. I of Mr. Money's work. The second column gives the true figures on record in the Colonial Office,

Years.	East India Balance in Holland, according to Mr. Money.	East India Balance in Holland, according to Colonial Department.
	Florins.	Florins c.
1834	9,422,270	4,306,240 30½
1835	12,105,183	10,203,901 15½
1836	21,339,565	12,044,033 22½
1837	27,697,921	13,137,990 34
1838	29,609,359	16,036,290 97½
1839	34,995,572	21,748,242 24½
1840	41,590,428	22,446,844 65
1841	43,894,485	19,674,547 11
1842	18,336,003	14,616,869 16½
1843	25,056,564	20,771,563 14½
1844	26,370,707	22,049,427 36
1845	30,025,477	28,713,628 95½
1846	31,670,687	26,646,310 3
1847	26,890,766	29,072,676 25
1848	19,920,753	19,223,723 2
1849	34,272,799	34,374,475 0
1850	31,868,119	31,316,330 70½
1851	31,540,861	27,795,895 54
1852	38,456,453	32,372,128 57
1853	42,282,525	32,046,470 6
1854	39,288,386	35,018,200 27
1855	45,555,740	41,970,995 37
1856	54,125,656	53,307,720 97½
1857	59,797,114	58,735,164 83½
Total ..	776,113,393	627,629,669 25½

Mr. Money is thus proved incorrect in his figures for every year, and is shown to have over-estimated the East Indian balance in Holland from 1834 to 1857 by 148,483,723·74½ florins, or 12,373,643*l.*

The preceding columns of figures must not be confused with the net surpluses for each year. They represent simply the excess in Holland of income over expenditure on Netherlands Indian transactions, or, in other words, the results of the Colonial produce sales after payment of all items of expenditure in the Netherlands on account of the Government of Java and its dependencies. To arrive at the net surplus, the moneys annually remitted to Java to balance the accounts there must be subtracted. It is only when this has been done that the figures really interesting to Dutchmen and to ourselves are brought to light; and as Mr. Money is wrong in his gross accounts

of receipts and expenditure, it is impossible that he should prove correct in his net profits. The Tables given at page 293 of Vol. I of his work, wherein he proposes to show at a glance "amount overpaid by Java to Holland from 1838 to 1857, after deducting interest on debt," is accordingly inaccurate also. His figures, as there given, will now be found placed side by side with those of the Colonial Office :—

Years.	Overpaid to Holland, after deducting Interest on Debt, or Net Surplus, according to Mr. Money.	Net Surplus, according to the Colonial Department.
	Florins.	Florins c.
1838	15,641,669	No surplus.
1839	17,257,494	Ditto.
1840	32,482,346	Ditto.
1841	32,185,584	2,200,000 0
1842	5,450,400	No surplus.
1843	3,846,833	3,212,405 84½
1844	8,291.205	3,001,151 53½
1845	13,359,189	4,738,311 11½
1846	9,354,071	3,652,000 0
1847	3,490,118	4,297,302 53½
1848*	..	No surplus.
1849	13,124,054	10,951,394 32½
1850	5,990,617	9,082,698 15½
1851	5,732,455	4,700,000 0
1852	14,422,485	4,700,000 0
1853	19,963,980	4,769,399 34
1854	13,313,472	10,644,140 97
1855	17,036,964	14,547,850 62
1856	28,142,974	20,531,700 23½
1857	35,587,928	31,858,421 20
Total	294,673,838	132,886,775 87½
Deduct deficit for 1848 ..	3,169,715	..
Add expenses foreign to Netherlands India	..	19,610,883 61
Total	291,504,123	152,497,659 48½

This Table proves Mr. Money to have over-estimated the net surplus paid by Java to Holland by 139,006,463·51½ florins, or 11,583,871*l.* The "expenses foreign to Netherlands India" are on account of deficits in the West Indies,

* In this year a deficit of 3,169,715 florins.

on the coast of Guinea, &c.; and although not considered by Holland to form part of the Java surplus, and thus kept separate, should certainly be comprised in this calculation.

Colonial surpluses since 1857.

The Table which now follows, though not bearing in any way on Mr. Money's figures, forms a natural sequence to the foregoing. It has been compiled exclusively from Dutch Parliamentary papers, and represents the Dutch East India, or Java surpluses from 1857 to 1868.

	Florins.		Florins.
1858	24,555,637	1864	11,099,159
1859	22,559,171	1865	28,275,000
1860	23,194,721	Estimate for 1866 ..	32,690,965
1861	8,686,307	„ 1867 ..	14,856,335
1862	28,587,358	„ 1868 ..	10,619 555
1863	20,808,794		

Debt chargeable to Java revenues.

To appreciate the value of the figures both before and after 1864, it is necessary to know that during that year a great innovation was effected in Dutch East Indian accounts by M. Fransen Van der Putte, the then Colonial Minister. This innovation, which cost that Minister but a stroke of his pen, added to the resources of the Government an apparent increase of colonial surplus to the extent of 9,800,000 florins. This operation was performed as follows:—

When Holland lost Belgium, the interest on 200,000,000 florins in round numbers of national debt, of which, according to a very high and generally received authority, only 36,000,000 had been incurred on colonial account (for the introduction of General Van den Bosch's culture system and other *bonâ fide* local charges), was made chargeable on the revenues of Netherlands India; and this sum was ever after deducted from the colonial balance before estimating the colonial surplus.

M. Van der Putte had the courage to put an end to the questionable position the mother-country thus assumed towards her colonies, and the result is that the surpluses for 1865–66–67–68 appear as 28,250,000, 32,500,000, 14,750,000, and 10,500,000 florins respectively, instead of somewhat under 19,000,000, 23,000,000, 5,000,000, and 1,000,000 as they would have been had the change not been made. This is, practically, however, only a question of accounts, as the surplus, so long as it exists, is now called "Contribution towards covering the expenses

of the Kingdom," and is taken over by the Minister of Finance and applied to making both ends meet.

Budget system applied to Java accounts in 1864.

This reform was part of M. Fransen Van der Putte's great measure of 1864, the application of the Budget system to colonial accounts. Previous to that data the colonial books were practically inaccessible to all except officials, and, when examined, proved so incomprehensible as utterly to preclude the possibility of arriving at any result. To this system of mystification an era of comparative enlightenment has succeeded, though even now, notwithstanding that the aim of easy comprehensibility is steadily kept in view, the accounts assume, from force of habit as it were, a shape calculated to defy and baffle ordinary criticism. Thus it has been seen that although the interest on one debt, in no wise Oriental, is no longer subtracted from the balance before a surplus is acknowledged, yet the practice still maintains of making good deficits in the West, by taxation in the East, Indies; and it will be admitted on all sides that the following Table, extracted from the Dutch Colonial Budget of 1868, showing the sums thus expended on Curaçoa and Surinam between 1857 and 1866, contrasts strikingly with the views expressed by M. Mirandolle, and with our own scruples of charging to the revenues of Hindostan the batta due to Indian forces called by paramount necessity to serve in Abyssinia:—

East Indies taxed for the West Indies.

	Surinam.	Curaçoa.
	Florins c.	Florins c.
1857	233,630 12	388,267 1½
1858	566,456 95	363,586 46
1859	396,757 39	378,760 55½
1860	433,565 84	374,694 32½
1861	445,563 21½	441,273 42
1862	486,398 87	499,945 67½
1863	1,206,782 13	483,073 22½
1864	914,914 5½	540,328 39½
1865	821,772 16½	372,045 85½
1866	851,104 6½	464,921 28½

It will thus be understood that no blame can be attached to Mr. Money for the errors of hundreds of millions of florins which have been pointed out in his calculations. These errors are proved not to have been the result of carelessness on his part but entirely owing to the difficulty of sifting the colonial accounts, a difficulty

aggravated, in his case, by the fact of his book having been written in Java and not in Holland. One of the many proofs that such was the case is afforded in the papers now under review presented to the States-General in correction of Mr. Money, and is as follows:—

Discrepancies in the Home and Colonial accounts.

The colonial produce, when shipped from Java for Holland, used, up to 1842, to be valued and the amount credited to the mother-country in the account books. This valuation was, at best, a guess, and experience proved that from 1834 to 1842 the estimated prices never were attained in the Amsterdam markets.

Thus, Mr. Money, looking through the books at Batavia, found the exports of produce for 1834, 1842, valued at 268,630,379 florins, and this produce, when sold in Holland, only fetched 210,362,788 florins; showing the local Government to have over-estimated this account, for eight years only, by 58,267,591 florins, or 4,855,632*l.* This method of accounting with the mother-country is now abandoned.

Deficits of the dependencies on Java.

The practice of making deductions from the Java balances, on account of deficits in other places, before acknowledging a surplus, has doubtless tended to blind the public as to the enormity of the demands made on the labour and productive powers of the Javanese themselves. M. E. de Waal, the present Minister for the Colonies, who was for many years Secretary-General at Batavia, and is, perhaps, the most authoritative writer on Netherlands Indian finance, gives some valuable information on this head, and shows, in one of his works published in 1866, from careful and patient examination of Government records, the deficits on what are termed the dependencies of Java, comprising Borneo, Celebes, New Guinea, the Moluccas, Sumatra, Timor, &c., to have been as follows:—

	Florins.
1841–50	1,498,997
1851–60	28,560,000
1861–63	9,000,000

The "dependencies" are thus shown to represent steadily increasing deficits, amounting in 1863, the two previous, and probably the succeeding years, to an annual charge of 250,000*l.* sterling. This is probably owing to the decline of the spice trade and to the tendency to geographical expansion which still marks Netherlands

Indian administration. The figures of M. E de Waal may be received as quite above suspicion, being extracted by one acquainted all his life with the ins-and-outs of tabular finance from the several Administration Reports periodically published by the Dutch Government and presented to the States-General. According to him these Reports would be cheap at the price they cost the Government, even if they conveyed no other disagreeable truths than the foregoing of a nature to rouse the public from the slumber in which they have indulged during the fancied prosperity of the Dutch East Indian possessions. In support of his opinions he gives, on the last page of his work before referred to, the Table which is now transcribed, and which, until disproved, must be deemed conclusive evidence in this case :—

M. de Waal's Tables of average income and expenditure.

INCOME.

Yearly average in millions of Florins.

	1858–61.	1862–65.
Sale of Government produce ..	36·98	31·80
Farmed taxes	12·97	13·50
Land rent	9·61	10·01
Taxes on commerce	8·52	7·91
Salt	3·96	2·74
Miscellaneous	2·78	3·06
Total	74·82	69·02

EXPENDITURE.

	1858–61.	1862–65.
Communal expenses and Justice ..	1·44	1·79
Army and Navy	20·51	29·27
Civil Administration	13·68	20·34
Miscellaneous	8·76	2·45
Total	44·39	53·85

Produce sales effected by the Netherlands Trading Company.

The first line of the above Table of average income is sufficiently striking to call for some explanation of the machinery by which these sales are effected. The produce sold has principally consisted of coffee, sugar, indigo, tea, tobacco, tin, spice, and pepper. Of these, coffee is by far the most considerable item, as reference to the Budget shows, and it will accordingly be dealt with in the first instance. The sales of all Government produce are effected

by means of an association called the Nederlandsche Handel Maatschappij, or Dutch Trading Company, the head-quarters of which are at Amsterdam. This Company was established in 1824, and its bondholders enjoyed, till 1853, a Government guaranteed rate of interest of 4½ per cent. The Company has a monopoly of the transport trade of Government produce from the East Indies, and receives 2 per cent. on sales. Its factory at Batavia further receives an annual subsidy from Government of 140,000 florins. Some three years ago a change was made in the mode of conducting these sales. This change, though attributed with some justice to a desire to rid both the Government and the public of the extra burden of the middle-man who bought bi-annually, and supplied the wholesale trade as required, was really rendered necessary by the increasing competition to which Java coffee was subjected by the import to Europe of coffee from Ceylon, Brazil, &c.

In fact, the Amsterdam markets, especially with regard to Java coffee, lost the control they formerly exercised over the market-value of the article. The system of withholding the supply and forcing prices had accordingly to be abandoned, and the sales are now more frequent, being monthly instead of bi-annually, and are entirely regulated on the supply-and-demand system.

Coffee statistics, showing fall in price.

Some valuable statistics of the present state of the coffee trade were published in the supplement to the Dutch "Economist" for December 1867, and are here given in extract translation.

AMSTERDAM SALES.

Prices of Coffee.	Good ordinary Pale, Java.	Good ordinary Green, Malang.	Rose-Green, Tenger.	Greenish, Spek.
	Cents.	Cents.	Cents.	Cents.
October auction, 1866	43. to 43½	41½ to 42	37½ to 38	38 to 40
February „ 1867	40½ to 41	40½ to 42	38½ to 39	38 to 38½
October „ 1867	37½ to 38½	36 to 37½	33 to 34½	33½ to 34

This shows a fall of 5 to 6 cents. per picul, undoubtedly owing to the unusually large importations of coffee during the year. These importations compare as follows with the corresponding Returns for the first nine months of previous years :—

	Cwts.
1867	4,075,000
1866	3,313,000
1865	3,540,000
1864	2,856,000
1863	3,243,000

The above figures represent cwts., and were divided as follows among the several markets during the last two years :—

	1867.	1866.
	Cwts.	Cwts.
Holland	1,151,000	978,000
England	978,000	831,000
Hamburgh	815,000	600,000
Havre	635,000	493,000
Antwerp	313,000	289,000
Trieste.	183,000	122,000
Total	4,075,000	3,313,000

The fall in price extended to all classes of coffee and to all European markets, and was as follows :—

	October 31, 1866.	October 31, 1867.
Prices of—	Cents.	Cents.
Good ordinary Java, in Holland ..	43 to 43½	37½ to 38½
	s. s. d.	*s. d. s.*
„ „ native Ceylon, in London	66 to 64 6	52 6 to 53
Middling plant, Ceylon, in London ..	79 to 80 0	75 0 to 76
	Mks. Banco	Mks. Banco.
Reel ordinary, Rio, in Hamburgh ..	5⅜ to 6⅛	4 9/16 to 5
Trillodos Laguayra, in Hamburgh ..	6½ to 7¾	5½ to 6⅜

That the fall of prices was not more considerable is attributed to the great increase of coffee consumption in Europe and in the United States of North America. The increased consumption in Europe does not appear from the statistics of recent years, because of the change in the system of the Amsterdam sales, which renders the reserves formerly kept in store now unnecessary.

These reserves, however, may be considered to have been exhausted by the end of 1866, and the importation of coffee for 1867 may probably be regarded as the actual consumption.

The total coffee deliveries of the six great European

markets, during the first nine months of the last four years, was as following in cwts.:—

1867	3,660,000
1866	3,103,000
1865	3,312,000
1864	3,021,000

Notwithstanding the exceptionably large importation up to September 30, 1867, all appears to have been consumed; and the total supplies in hand on October 1, 1867, were estimated in cwts., as compared with previous years, at—

	1867.	1866.	1865.	1864.
Holland	499,000	481,000	453,000	457,000
England	416,000	307,000	322,000	280,000
Hamburgh	250,000	200,000	240,000	75,000
Havre	197,000	221,000	197,000	138,000
Antwerp	84,000	59,000	66,000	30,000
Trieste	77,000	53,000	77,000	76,000
Total	1,523,000	1,321,000	1,355,000	1,056,000

In judging of these supplies in hand, it must, however, be remembered that both wind and weather were singularly favourable to early arrivals in 1867 as compared with previous years. This is proved by the following figures :—

Arrivals or Importation of Coffee during September.

	Cwts.
1867	586,000
1866	247,000
1865	349,000
1864	351,000

In considering the probable future prices of coffee, the first question to answer is, Can the consumption of 1868 be met on the same terms as that of 1867 ?

The greatest increase of supply during 1867 came from Brazil, where the coffee crop was singularly favourable, and amounted to over 2,500,000 bales.

During recent years the coffee exported from Brazil has been as follows, in bales :—

	1866-67.	1865-66.	1864-65.	1863-64.	1862-63.	1861-62.	1860-61.
To North America ...	1,022,110	747,310	503,416	473,978	349,467	517,170	1,215,308
To Europe	1,252,498	910,805	1,272,100	765,396	1,075,129	1,126,314	1,357,126
Total	2,274,608	1,658,115	1,775,516	1,239,374	1,424,596	1,643,484	2,572,434

The importation of coffee into the United States of North America has been as follows, in tons, for the first nine months of the last three years:—

	1867.	1866.	1865.
	67,191	53,804	42,765
Remained in store on September 30, of each year	7,619	6,632	3,556

Assuming, therefore, that a good harvest is usually followed by a bad one, and that the coffee consumption of the United States will continue to increase at a reasonable rate, it may be calculated that the harvest of 1867-68 of Brazil coffee amounted to 1,800,000 bales, of which America would probably take 1,200,000 bales, leaving 600,000 bales available for export to Europe; *i.e.*, half the quantity received in Europe from Rio during 1866-67, and more than 500,000 bales, or 750,000 cwt. less than the average export from Rio to Europe during the last seven years. If this calculation should prove correct, prices will probably rise some 20 per cent. during 1868.

It is further to be remembered that the export duty on Brazil coffee was raised 3 per cent. from the 1st of January, 1868; and it may be assumed that in anticipation of this rise in export duty, the merchants of Rio hurried off to Europe all the coffee they could lay their hands on during the last months of 1867.

The Java Government coffee produce for 1866 amounted to 1,072,694 bales.

The latest estimates for 1867 were—

Bales already received	383,695
,, still to come	504,743
Total	888,438

Being 200,000 bales less than the previous years.

It is also assumed that the coffee production of Ceylon has reached its utmost development; and that the cultivation of cotton on the Malabar coast absorbs the labour in that part of the world otherwise available for coffee culture. Without giving implicit credence to this, it must be allowed that the coffee from Ceylon during 1868 cannot be estimated in excess of that for 1867; so that one cannot reckon on this quarter for covering the anticipated deficit in the coffee supply.

From Laguayra and Costa Rica a very large crop was

received during 1867; so that an increased supply is not to be looked for from thence.

The question, therefore, whether the coffee market can be supplied on the same terms during 1868 as during 1867, is easily answered.

From no country can more coffee be looked for in 1868 than in 1867. From Brazil a deficit of 600,000, and from Java of 200,000 bales is anticipated. Coffee is now cheaper than it has been since 1861; and a considerable rise in prices may certainly be expected, when all the conditions stated above are taken into consideration.

A perusal of the foregoing statistics could hardly fail to induce a belief in the probable rise in coffee during 1868; smaller importations of that article seeming probable this year, while the consumption of it increases. How far this announcement is to be regarded as a favourable symptom in the Colonial malady from which the Netherlands are suffering, must depend on the value placed by political economists upon the fact, that according to the most sanguine view possibly to be taken, 888,438 bales of coffee the Java harvest of 1867, sold in 1868, may, if prices rise sufficiently, produce as many florins as did 1,072,694 bales, the Java harvest of 1866, sold in 1867. Now, to quote such figures as indicating prosperity, necessitates a return to those principles which taught the cutting down of spice-trees, for the purpose of enhancing the value of those suffered to remain. But, moreover, the prophesied rise is not as yet apparent in the quotations of the Amsterdam markets. On March 26, 1868, a coffee auction was held by the Netherlands Trading Company, and the prices realized were from 34 to 40½ cents a pound, according to the samples, showing in most classes a further and perceptible tendency to decline.

Sugar statistics.

Sugar next claims attention; and a reference to the annual survey of the sugar trade published by Messrs. Bloemen and Gebhard of Amsterdam, gives the following figures as the statistics of the last three years. The figures represent "kranjangs," or matting bales, averaging 350 pounds:—

	Java Sugar Imported.	On Government account.	On Private account.
1867	467,580	227,639	239,941
1866	478,143	263,090	215,053
1865	509,581	278,291	231,290

The sugar sales of the Netherlands Trading Company for these years are given as follows:—

In 1867.—238,505	kranjangs	fetched per kranjang	33·07 florins.
1866.—261,106	„	„	34·18 „
1865.—273,918	„	„	36·38 „

Here again the same features are perceptible as characterize recent coffee statistics: diminished crops, accompanied by declining market value.

The sugar crops of Java have long failed to satisfy the ambition of the Dutch; and a calculation of the total average production of sugar in the world, which appeared not long since in a periodical in this country, shows the very small share in that production taken by Java, amounting as it does to but $6\frac{1}{5}$th per cent. of the whole.

This calculation was as follows:—

	Piculs of 62½ lbs.
Cuba produces	8,832,000
Brazil	3,200,000
British West Indies	2,912,000
British East Indies	2,560,000
Mauritius	2,257,600
United States	1,952,000
Java	1,760,000
French West Indies	1,600,000
Réunion	1,152,000
Philippines	960,000
Puerto Rico	928,000
Netherlands West Indies	224,000
Danish West Indies	136,000
Andalusia	96,000
Other countries	160,000
	28,729,600

In this calculation cane sugar only is included; the consumption of beet-root sugar is estimated at 7,250,000 of piculs in round numbers; which would raise the total annual consumption of this article to 36,000,000 of piculs.

Java is thus seen to produce less sugar than the little Island of Mauritius; much less than Cuba, whose population is hardly one-tenth that of Java, and little more than the geographically insignificant Réunion, with its 200,000 inhabitants. "Who can doubt," asks the Dutch statistician, "that if the existing restrictions on the production of sugar by private enterprise in Java were removed, Java would rise to a higher place in the foregoing list."

It is further to be observed, that Cuba, which heads

the list, exports annually, besides its sugar, 15,000,000 lbs. of tobacco; and when it is remembered that the whole population is under 1,500,000 (of which a third are whites), it might be deemed that the producing powers of that island were strained to the utmost, while those of Java, with its 13,000,000 inhabitants, are not yet approaching their full development. The same arguments apply, *mutatis mutandis*, to the Mauritius, Réunion, Puerto Rico, and others of the producing countries; and considering the great and continued increase in the consumption of this article, augur favourably for the future of the sugar trade in whichever country expansion in the production may most easily be attained. In Holland it is held by many, and appeal to figures would certainly appear to support their opinion, that the required conditions for such extension exist at the present moment to the fullest extent in Java, where a decision of the Governor-General, indorsed by the States-General, is the single thing that seems wanting.

Banca and Billiton tin.

Tin ranks next among the products of Netherlands India. It is mostly procured from mines in the Islands of Banca and Billiton. The deliveries from the former amounted in 1867 to 120,329 blocks, and showed a considerable decrease from those of 1866, which were 186,855 blocks. The Billiton tin sold during 1867 was as follows:—

			Fl.	c.
February	..	.. 3,505 piculs, at	49	50
April	..	.. 3,500 „	55	7
June	..	.. 4,018 „	54	94
August	..	.. 4,006 „	55	7
October	..	.. 3,996 „	55	70

These last returns compare favourably in produce and in price, with those of previous years.

The former spice monopoly.

Spices rank last in the produce list, for reasons now to be detailed. "There was once a time," says Dassen, "when a few small islands near Gilolo, produced 3,600,000 lbs. of cloves annually; later, Hoewamohel, with a few others of the Amboyna group, produced about a fourth; and still later, these islands, without Hoewamohel produced at least half that quantity." In the latter half of the last century the production of Amboyna in good years was estimated in round numbers at 1,400,000 lbs.; in 1770, it amounted to 2,200,000 lbs. If one goes back to times still earlier than those mentioned by Serrière and Dr. Bleeker, it will be seen that between 1675 and 1855

over 100,000,000 lbs. of cloves have been produced by Amboyna and the Islands of Uliasser, Haroeko, Saparoea, and Noesalant. The average yearly produce was 564,000 lbs.; but the crops were subject to great variation, being now 1,000,000, 1,500,000, or 2,000,000 lbs., and then a year succeeding of complete failure, when there were barely a few thousands of pounds. In taking the production of early years into consideration, it must be remembered that at one time cultivation was artificially restricted by extirpation, for the sake of maintaining high prices, while at another everything that was possible was done to produce enormous crops. In our century, the compulsory deliveries of Amboyna and the Uliassers, which had been artificially limited in quantity, have fallen more and more. From 1818 to 1826 they did not average more than 280,000 Amsterdam lbs. a-year; after that the crop increased, and averaged 350,000 lbs.; 1863 was an especially favourable year: the crop even exceeded that of 1846, when Amboyna and the Uliassers delivered 869,727 lbs. In 1856, another favourable year, the crop was 617,250 lbs.; but in 1863, 946,653 Amsterdam lbs. were obtained, of which 168,544 came from Amboyna, 663,077 from Saparoea and Haroeko, and 115,032 from Hila and Larike. On the other hand, the crop of 1862 was barely 85,104 Amsterdam lbs.; and that of 1864 failed entirely, and hardly attained a tenth of that of 1862.

This crop is, therefore, exceedingly precarious, and many of the measures taken by the Government have enhanced the hardships of its production for the inhabitants. They were made to plant gardens on new systems; nine or ten years had to elapse before bearing tested the result; and, at the expiration of that time, the new system often proved a failure. Further, it was admitted on all sides that "Herrendiensten" in these islands were exceptionally oppressive, and included a variety of services, such as lading and unlading ships, nowhere else classed as feudal labour. These were estimated at from four to five months' annual employment imposed on the whole male population.

The Council of Netherlands India calculated not long since that the superintendence of ninety trees a-head, being the average labour of the people of Amboyna, could only be calculated as work for one month in the year for an able-bodied man, and, according to the Government labour

tariff, these people could consequently only receive 4·80 florins per head per annum for their produce. In some islands a similar calculation gave the population 6 florins per annum per head. The Government further calculated that if private enterprise were permitted, each man might earn 10 florins a month throughout the year.

Notwithstanding its valuable produce and the low price paid for labour, Amboyna ultimately became a burden on the Dutch Colonial Exchequer. This will be explained by reference to the following figures, which represent the decline of cloves per Amsterdam lb. in the European markets :—

	Per lb. cents.
In 1855 cloves fetched . . .	41
1856 „ . . .	33
1857 „ . . .	31
1858 „ . . .	24
1859 „ . . .	24
1860 „ . . .	24
1861 „ . . .	20

The Government Report for 1863 states that cloves cost the Government, in purchase money at Amboyna and in per-centages to the Chiefs, 34·65 florins per picul, and were sold in Holland at a price which the deduction of transport and sale expenses reduced to the following figures :—

	Per picul. Fl. c.
In 1856	28 $11\frac{1}{10}$
1855	34 $2\frac{7}{10}$
1854	31 $25\frac{9}{10}$

And even the sum of 34·65 florins represents inadequately the Government expenditure per picul, since the transport from Hila and Larike to Amboyna, in the first place, and then of the whole crop collected in that island to Java, besides sundry presents, &c., have to be added, raising the price which a picul of cloves costs the Government to about 40 florins. In fact, since 1857, the net result on sales, after deducting transport and incidental expenses, was as follows :—

	Per picul. Fl. c.		Per picul. Fl. c.
1857 . .	. . No sales.	1861 . .	. . 12 $35\frac{3}{10}$
1858 . .	. . 16 $49\frac{8}{10}$	1862 . .	. . 16 $43\frac{6}{10}$
1859 . .	. . No sales.	1863 . .	. . 16 $12\frac{3}{10}$
1860 . .	. . 15 $54\frac{2}{10}$		

So that, at the end of the transaction, Government had only 16 florins odd to show for an average original expenditure of 34 florins 65 cents, and thus, on each picul of cloves sold, the Government, in commercial parlance, realized a loss of over 18 florins.

Annually increasing losses were thus to be foreseen, and what reason existed for keeping up the monopoly? The price of producing the article exceeded its market value; yet there were some followers of tradition still alive who thought the national honour demanded the maintenance of the venerable spice monopoly. And what, it was argued, was to become of the population of the islands that for two centuries had depended on this article for a livelihood. Ex-Governor Goldman had conceived the idea of substituting cocoa culture for spice: Amboyna cocoa had already found its way into the market as a free product. Then came the question whether it would answer to invest a trade, till that date free, with all the shackles of the monopoly system, and support the Chiefs in carrying it out by forced labour. Happily wise councils prevailed: this was decided in the negative; private enterprise was encouraged; and the Government abolished, on January 1, 1864, the forced deliveries of cloves. It was further announced that till the end of 1868 the Government would buy at the old price all cloves voluntarily tendered for sale. The Chiefs, pending future measures, were promised an indemnity for loss of culture per-centages, reckoned at an average on their receipts for the last ten years. In the place of forced culture and deliveries, a small capitation tax of 1 florin per family, gradually raised to 4 florins, the present rate, was imposed, and in this manner dawned on Amboyna freedom from the yoke of the Netherlands spice monopoly, which, with its inseparable abuses, amounted to slavery, and was a stain on the name of Holland.

The islands of the Banda group produced mace and nutmegs in place of cloves; but with this distinction their condition closely resembled that of Amboyna and its neighbours. Forced culture, forced deliveries, and culture per-centages to the Chiefs were characteristic of both, and an examination of the market value of their produce shows a similar steady fall.

	Mace.	Nutmegs.
	Per picul. Fl. c.	Per picul. Fl. c.
1855	139 87$\frac{3}{10}$	132 6$\frac{9}{10}$
1856	131 67	130 28$\frac{9}{10}$
1857	108 80$\frac{6}{10}$	109 2$\frac{2}{10}$
1858	88 50$\frac{6}{10}$	97 90
1859	76 54$\frac{2}{10}$	87 2$\frac{7}{10}$
1860	67 4$\frac{4}{10}$	80 43$\frac{4}{10}$
1861	52 99$\frac{8}{10}$	54 6$\frac{4}{10}$
1862	50 9$\frac{9}{10}$	50 0$\frac{3}{10}$
1863	47 83$\frac{2}{10}$	39 43$\frac{5}{10}$

Banda thus threatened shortly to stand in the same relationship to the Exchequer as Amboyna had long done. But 1864 was a year of reforms; and in August of that year measures corresponding to those resorted to in the Amboyna group were proclaimed in Banda. The Government undertook to take produce for a few years at current prices, and imposed a small capitation tax in exchange for forced deliveries.

Such have been the "Reforms in the Moluccas," stated as concisely as possible, and translated in an abstract shape from two well-written articles in a Dutch periodical for February and March 1867. It is early yet to judge of the financial results of the abolition of the spice monopoly; but from the great increase which has since taken place in the growth on these islands of cocoa, sago, and other trees, the produce of which can still command a remunerative market rate, and from the fact of the local administration having been enabled to raise the capitation tax in the Amboyna group from 1 to 4 florins per family, and in the Banda islands to an almost equal extent, it may be assumed that while the natives have entered on a happier and more prosperous state of things, the mother-country also will not be a loser on the transaction.

Whatever may prove the direct result of these reforms to the Dutch Exchequer, a very short reference to statistics will suffice to show that they have already proved singularly favourable to the development of the local resources; and a per-centage of such enhanced prosperity must infallibly, sooner or later, find its way into the money chests of the parent State. Thus, the Government Administration Report for 1864, the first year of liberty, states that the produce of Amboyna for that year was 136 piculs

of nutmegs and $11\frac{1}{2}$ piculs of mace (worth 5,390 florins), as against $94\frac{1}{10}$ piculs of nutmegs and $16\frac{1}{4}$ piculs of mace (worth 3,000 florins) in 1863. These were bought from the free producers at 20 to 25 cents a catty, and exported to Macassar, Java, and Singapore, whichever afforded at the moment the best market; and the figures of 1865 and 1866 testify to the increasing prosperity of the Molucca Archipelago under the inestimable blessings of freedom.

Minor products Java.

Some apology is necessary for the very brief and sketchy nature of this Report, when the great importance of the different branches of commerce therein discussed, is considered; but it was felt to be beyond the scope of a paper of this description, to enter into abstruse arguments respecting native land tenure with feudal obligations varying in each district; and the utmost deemed practically attainable was some account of the decline of the Java culture system, as proved by facts and figures, and a review of such observations of the learned on Colonial topics in this land as have had a tendency to run to print. It has thus been seen that under existing circumstances coffee and sugar form the nucleus of Netherlands Indian revenue. Of other crops, cinchona is still in its infancy and can only be regarded as experimental. The Government culture of spice and tea has been abandoned as a failure, and that of indigo on account of the hardships it entailed upon the Javanese. It has further been seen that the coffee market falls, and that the sugar contract system does not produce what might reasonably be expected of it. If some minor products of Java are therefore excepted, and pepper left for notice in connexion with Sumatra, where it is almost exclusively produced, tobacco will be found to stand alone as calling for remark. This is not a Government culture. It is grown throughout the island by private enterprise under considerable difficulties, but with fair results. It is doubtless capable of great extension in many parts of Java, especially in Rembang, and will probably play an important part in the Java markets of the future. Yet, like other crops, experience appears to teach that it has not flourished as it should, and that it can make little progress pending the adoption of the liberal land and labour laws which loom on the Dutch Colonial horizon.

Tobacco.

Arguments against the culture syste

It will have been seen from all that has preceded, that

"Herrendiensten," or forced labour, constitutes what may be termed the *moral* bone of contention on the Colonial question, while the "Batig Slot" or surplus, and what items should be charged to the Java revenues before that surplus is announced, form the *technical* part of the controversy.

The opponents of the feudal system, which regards the labour of the population as the private property of the Chiefs, adduce statistics in support of their assertion that this system, whether practically maintainable or not, is detrimental to the progress of the Colony, and consequently in the long run to the interests of the Netherlands. The supporters of the system point, one and all, to the long array of figures of the past, as representing the results to which they pin their faith. On their lips is ever to be found a reference to "the disinterested Englishman who wrote the best book on Java that has yet seen the light;" and if questioned about the future, they rejoin that the Javanese "prosper but do not change;" and that they are "a well-to-do and contented people." Statistics, unrefuted either in or out of the Second Chamber, tend certainly to show that whatever may be the extent of *contentment* prevailing among the native races, their *well-to-do* position is somewhat assumed. In 1864 they consumed less salt per head than in 1846, and produced diminished crops. The administration expenses of the Island Governments which constitute the Netherlands India, display a continued tendency to increase, beyond all proportion with the natural development of the existing system. In 1867 a calculation of the cost of the Dutch employés in Java and its dependencies was made by M. van Alphen, long a senior clerk of acknowledged ability in the Colonial Office at the Hague, and who, though wedded to the culture system in his youth, as private secretary to General van den Bosch, is to be found to-day in the front rank of those who assert that its author never regarded that system as anything but a stepping-stone to better things. This calculation was published by M. van Alphen in the "Gids," a periodical of great and good repute in Holland, side by side with a similar calculation of the moneys spent on native administration. The two Tables are here copied, and they certainly support Mr. Money's statement that "the native races are practically denied the benefits of education," even if they are not "secured against missionary efforts for their conversion."

	Florins.
Native Administration*	1,969,544
„ education	165,398
„ public worship	10,539
Total	2,145,481
European Administration	3,078,228
„ education	587,697
Christian public worship	510,904
Total	4,176,829

Cost of native and European Administration.

Now, when it is considered that the second Table is intended to provide for the moral and physical requirements of 28,000 Europeans, while the first must meet those of 13,800,000 Javanese, to whom it is the pride of the existing system to point as so easily governed by a handful of Europeans acting on and through the native chiefs themselves, it will be admitted, as it is admitted by M. van Alphen, that the figures should be at least reversed as regards the native and the European. But then it is pleaded that the money shown in such Tables affords no criterion of the salaries and advantages possessed by natives employed in the administration; and this is true, for otherwise the evils of the forced labour system and the perversions of the "Herrendiensten" would not have become household words to all acquainted with the subject, but surely this can only tend to aggravate the case at issue. Indeed, it is now universally admitted that it does so; and all classes of society are clamouring for some change, though much difference of opinion naturally exists as to the character such a change should assume Some are for tentative or gradual alterations of the culture system; while the more violent demand a sudden and complete enfranchisement of the Javanese from the yoke imposed on them in 1832 by General van den Bosch. Some action cannot much longer be delayed; indeed, such action may be said to have already commenced; and among its first-fruits may be reckoned the recent partial abolition of a once annually recurring item in Netherlands Indian accounts called "Culture Per-centage," which was paid in kind to the officials instrumental in the raising or gathering in of Colonial produce. It was no doubt intended to stimulate the efforts of the tax or produce farmers, and no doubt it had that

Abolition of culture per-centages to Europeans.

* See Chapter XII of Java Budget, 1868.

effect. Its abolition as regards the European officials (for it is still enjoyed by the native members of the Netherlands Indian Administration) took place some years ago, and was the result of the first wave of popular agitation in this country for improving the condition of the Javanese; an agitation which, borne on by an increased knowledge of the fact that the culture system has attained its zenith, and is, in its present shape, in its decline, has prompted the phrase that a "Batig Slot," or Colonial surplus, has a paralyzing influence, and is the greatest curse a mother country can suffer under. To those, however, who think thus, it must be a source of considerable satisfaction that unless things should greatly change but little doubt exists that this "curse" must speedily be removed, so far as Java and the Netherlands are concerned.

Perhaps, if an expert were required to state concisely to what cause is owing the decline of the culture system, so long remarkable for its success, his reply would be that nineteenth-century ideas have rendered its continuance in a paying shape an utter impossibility. The criticizing public at home has been occupied for years in taking away here a plank and there a prop of the scaffolding on which that system was erected. The result has been such that General van den Bosch restored to life would barely recognize his handiwork in the ill-supported fabric that now remains.

The abolition of culture per-centages to Europeans swept away a great security for heavy crops; for the white controllers who supervise the growing of the Government crops now guard the people against extortionate measures and demands made by native Chiefs and nobles, in which they do not see involved, as formerly, monied interests of their own. Yet, great as was the security afforded by the culture per-centages, a more potent weapon still has been taken from the hands of the Java Government farmers. This weapon was the stick—the use of which was in no wise stinted as a stimulant to the performance of a certain standard day-labour fixed by each local and subordinate officer and exacted inexorably under what was, practically, the power of life and death. This interdict was another of the famous measures which have set their mark on 1864 and 1865 as an era of Dutch colonial reform, and which have made the culture system in its present shape no longer profitable, and, indeed,

Interdict on flogging in connection with the culture system.

hardly possible as a continuance. The great evil has been the pursuit of half measures and timid attempts at reconciling the two systems, monopoly and private enterprise. The first has been continued, so far as was physically possible; the second has been permitted but not encouraged to sufficient efforts by the certainty that such permission might not any day be rescinded. And thus the present dead-lock in the colonial policy of this country has been brought about; for it is universally admitted by the intelligent in Holland that either system carried out consistently and without fear must succeed in a colony so productive as Java, and that the only one that could fail is just that one which has been chosen by the Dutch Halifaxes of the present day, who, in the equipoise of party politics, have lacked courage to adhere faithfully to the old system or to embrace with warmth a new one.

Prosperity of Java not dependent on success or failure of culture system.

Now, although no doubt can be entertained of the very unfavourable light thrown on the prosperity of the Netherlands East Indian possessions by the statistics of Government produce and the cost of raising it, and though these certainly afford cause for reflection and anxiety, they cannot be read as justifying the despair so frequently expressed in this country when colonial politics are mentioned. The surplus, though diminishing year by year, still exists, at least in name, and things may mend if the remedies applied, whatever they may be, only prove the right ones. In the meantime, it is true that Java is hurled from the pinnacle to which Mr. Money's enthusiasm for the memory of General van den Bosch had elevated her, and has almost been reduced to the dead level of our own colonial possessions; but those familiar with the elasticity of East Indian finance will not find it difficult still to prophesy for Java a rich and happy future when private enterprise and a healthy competition shall play their parts unhindered in the arena so shortly to be opened to them,

A careful examination of the following pages of statistics, recently officially published, will be found to support this hopeful view and to indicate the feasibility at least of a gradual abandonment of the active part taken by Government under the existing system in the raising of the crops, *pari passu*, as private enterprise may show itself prepared and competent to succeed to the performance of such all-important duties. In other words, these, the last

Returns yet published, show conclusively that private individuals drive a thriving and daily increasing trade, despite the trammels of the Handel Maatschappÿ, and realize handsome fortunes in a field where the Netherlands Government now labours almost at monied loss.

Java Trade Returns, 1865–66.

GENERAL SURVEY of Trade and Navigation in Java and Madura for 1866 as compared with 1865 :—

IMPORTS.

	Florins.	Florins.
In 1866.		
On private account . .	56,383,170	
On Government account . .	12,258,104	
Total . .	. .	68,641,274
Of which specie :—		
On private account . .	2,621,617	
On Government account . .	8,090,000	
Total . .	10,711,617	
In 1865.		
On private account . .	45,766,388	
On Government account . .	13,108,278	
Total . .	. .	58,874,666
Of which specie :—		
On private account . .	5,519,200	
On Government account . .	7,510,000	
Total . .	13,029,200	
Showing an increase in 1866 of .	. .	9,766,608

EXPORTS.

In 1866.		
On private account . .	75,629,037	
On Government account . .	57,602,797	
Total . .	. .	133,231,834
Of which specie :—		
On private account . .	16,174,271	
On Government account . .	3,838,525	
Total . .	20,012,796	

	In 1865. Florins.	Florins.
On private account . ..	62,455,168	
On Government account ..	52,562,791	
Total . ..	..	115,017,959

Of which specie :—

On private account . ..	9,823,040	
On Government account ..	3,819,200	
Total	13,642,240	
Showing an increase in 1866 ..	..	18,213,875

Private importation was as follows :—

IMPORTS.

	Merchandize.	Specie.	Total.
	Florins.	Florins.	Florins.
From Netherlands ..	24,963,907	200,000	25,163,907
England	10,410,755	..	10,410,755
France	410,431	..	410,431
Russia	32,890	..	32,890
Portugal	293	..	293
Hamburgh ..	6,476	..	6,476
Bremen	240	..	240
America	282,369	..	282,369
Cape of Good Hope .	13,886	..	13,886
Mauritius . ..	8,258	..	8,258
Bengal	30,982	..	30,982
Persia	178,409	..	178,409
Manilla	318,567	..	318,567
China	889,197	150,750	1,039,947
Siam	338,915	..	338,915
Japan	48,478	..	48,478
Australia . ..	479,453	..	479,453
New Guinea ..	3,620	..	3,620
Eastern Archipelago .	15,344,427	2,270,867	17,615,294
Total ..	53,761,553	2,621,617	56,383,170

Government importation was as follows :—

	Produce and Goods.	Specie.	Total.
	Florins.	Florins.	Florins.
From Netherlands ..	3,554,586	8,090,000	11,644,586
Bengal	589,158	..	589,158
Borneo	24,360	..	24,360
Total . ..	4,168,104	8,090,000	12,258,104

Private importation of merchandize in 1866, as compared with 1865, was as follows from Europe and America :—

	1865.	1866.
	Florins.	Florins.
From Netherlands	16,078,501	24,963,907
England	8,063,298	10,410,755
France	167,851	410,431
Other European States ..	250,974	39,899
America	270,242	282,369
Total	24,830,866	36,107,361

	Florins.	Florins.
Showing an increase in 1866 of .	..	11,276,495

There has also been an increased importation :—

From Cape of Good Hope, of ..	12,766	
Mauritius, of	8,258	
Australia, of	320,185	
New Guinea, of . ..	3,620	
Eastern Archipelago ..	2,754,924	
Total		4,099,753
Showing a total increase in 1866 of ..		15,376,248

There has been a decrease in the importations :—

From Bengal, of	269,437	
Persia	7,904	
Manilla	455,358	
China	981,186	
Siam	53,535	
Japan	94,463	
Total		1,861,883
There thus remains an increase in 1866 of .		13,514,365

Private importation of specie in 1866 was less :—

	Florins.	Florins.	Florins
From Netherlands, by	4,306,350		
Persia, by ..	4,000		
Total		4,310,350	

It was more :—

From China, by ..	150,750		
Eastern Archipelago, by .	1,262,017		
Total		1,412,767	
Thus showing a decrease in 1866 of ..			2,897,583
And reducing the increase of private importations in 1866 to			10,616,782
While the decrease in Government importation was			850,174
Leaving a net increase as above . ..			9,766,608

The principal articles of import on private account in 1865 and 1866 were as follows :—

	1865.	1866.
	Florins.	Florins.
Cotton goods	13,213,868	27,789,730
Provisions	2,425,936	2,379,357
Wines and other liquors ..	2,650,369	2,313,349
Iron work and machinery .	1,477,480	1,007,629

	Florins.
Of the cotton goods imported in 1866, amounting to	27,789,730
Those imported from the Netherlands amounted to	16,527,325
Of which were certificated of Netherlands manufacture	11,189,798
Therefore, foreign manufactures were imported from the Netherlands to the value of ..	5,337,527
From England were imported	8,311,099
Other European countries, ditto ..	53,492
Elsewhere	2,897,814
Total foreign manufacture to the value of ..	16,599,932

Or, 5,410,134 florins more in value than he certificated Netherlands goods imported.

The importation of cotton goods shows an increase in 1866 on 1865 as follows :—

	Florins.
From Netherlands*	9,599,374
England	2,819,098
France	17,586
Russia	31,354
America	1,200
Manilla	6,458
Australia	1,791
Eastern Archipelago ..	2,117,016
Total	14,593,877

And a decrease of :—

From Hamburgh	8,308
Persia	248
Bengal	1,700
China	7,509
Siam	250
Total	18,015

Showing the increased importation to be 14,575,862 florins.

As compared with previous years, less provisions have been imported from the Netherlands during 1866. Of the total value of 2,379,357 florins, 1,029,245 florins came from the Netherlands, of which 231,826 florins were certificated of Netherlands origin.

This is also the case with wines and other liquors. Of the total value imported, 2,313,349 florins, the Netherlands supplied 1,830,493 florins; those certificated of Netherlands origin, or fabrication, amounting to 816,850 florins.

	Florins.
In 1866 iron work and machinery was imported from the Netherlands to the value of	792,536
Of which was certificated Netherlands manufacture .	173,070
And thus of foreign manufacture	619,466
From other countries this article was imported to the value of	215,084
Showing a total import of foreign hardware manufactures of	834,550

* Of which certificated Netherlands manufacture, 6,718,112 florins.

The importations from the Eastern Archipelago, during 1866, have principally consisted in :—

	Florins.
Benzoin	170,192
Gambier	1,054,518
Gomdammer	252,647
Gum elastic	47,047
Gutta percha	152,799
Sandal wood	16,103
Hides and fleeces, undressed	28,369
Indigo	27,863
Cinnamon	25,084
Cotton, raw	1,224,762
Coffee*	815,494
Mats and matting	311,120
Oil (klapper and katjang)	206,493
Horses	416,165
Pepper, white	98,753
„ black	175,313
„ clove	7,740
Cane	1,296,843
Rice, shelled	755,755
Spices—	
Mace	17,598
Cloves	10,507
Nutmegs	88,070
Wild nuts	19,573
Tobacco, in rolls or leaves	74,675
Tin	1,029,373
Cattle, live	201,430
Birds' nests, white	19,934
„ black	12,398
Wax	1,008,187

The importation of specie from the Eastern Archipelago in 1866 amounted to 2,270,867 florins, of which 1,390,764 florins came from Singapore.

Exports.

As above indicated, the export of merchandize from Java and Madura in 1866 was :—

	Florins.
On private account	59,454,766
On Government account	53,764,272
Total	113,219,038

As compared with 1865, the increase has been :—

On private account	6,822,638
On Government account	5,020,681
Total increase in 1866	11,843,319

* Of which from Sumatra, 572,602 lbs.; value 280,523 florins.

The export trade on private account in 1866, was as follows:—

	Merchandize.	Specie.	Total.
	Florins.	Florins.	Florins.
To Netherlands	34,507,869	..	34,507,869
England	15,570	..	15,570
France	671,635	..	671,635
Hamburgh	41,502	..	41,502
Sweden	39,857	..	39,857
America	1,836,216	..	1,836,216
Mauritius	9,272	..	9,272
Arabia	14,620	..	14,620
Persia	1,440,901	..	1,440,901
Bengal	24,030	..	24,030
China	1,751,936	23,750	1,775,686
Siam	134,440	56,000	190,440
Japan	30,596	..	30,596
Manilla	56,246	..	56,246
Australia	3,293,638	..	3,293,638
Eastern Archipelago	15,586,438	16,094,521	31,680,959
Total	59,454,766	16,174,271	75,629,037

The export trade on Government account in 1866, was as follows:—

	Merchandize.	Specie.	Total.
	Florins.	Florins.	Florins.
To Netherlands	51,931,317	..	51,931,317
Eastern Archipelago:			
Sumatra	528,851	55,000	583,851
Palembang and Banka	967,604	1,357,500	2,325,104
Riouw	7,272	314,025	321,297
Borneo	223,989	1,435,000	1,658,989
Celebes	39,332	101,000	140,332
The Moluccas	62,820	520,000	582,820
Billiton	1,210	6,000	7,210
Timor	1,877	50,000	51,877
Total	53,764,272	3,838,525	57,602,797

The export trade to the Netherlands has chiefly consisted in :—

	On Government Account.		On Private Account.	
	1865.	1866.	1865.	1866.
	Florins.	Florins.	Florins.	Florins.
Benzoin	..	..	444	7,411
Cochineal	24,148	36,204	1,231	..
Gum elastic	..	..	148,791	228,373
Gutta percha	..	..	88,160	106,663
Gomdammer	13,975	..	70,250	305,967
Fustic	..	..	43,694	39,537
Hides	..	..	622,646	417,954
Indigo	2,104,546	1,006,246	2,096,957	2,311,673
Cinnamon	137,330	7,688	12,000	5,227
,, oil	..	325	..	..
Cassia	..	..	3,826	1,920
Cotton, raw	..	..	1,106	9,060
Coffee	23,860,964	33,948,767	9,626,031	9,426,149
Pepper	..	..	132,274	326,954
Cane	45,814	..	736,179	865,341
Rice	..	..	450,765	1,056,899
Spices	276,779	187,083	52,692	73,151
Sugar, powdered	12,194,906	12,092,983	16,173,770	15,238,680
Tobacco	..	..	1,822,550	2,196,117
Tea	285,747	206,374	420,670	434,746
Tin	7,173,429	4,444,498	836,953	764,727
Vanille	..	..	16,255	3,680
Soap (nut)	2,866	1,149	..	..

The value of the total export trade in staples during 1866 was as follows :—

	Florins.
Benzoin	45,595
Gambier	67,412
Gomdammer	313,053
Gum elastic	465,926
Gutta-percha	154,850
Indigo	2,512,151
Cinnamon	5,227
Kapok	10,482
Cassia	1,920
Cotton, raw	12,278
Coffee	10,163,674
Oil (klapper)	32,196
,, (katjang)	174,516
Pepper, white	12,312
,, black	263,437
,, clove	262,903
Cane	1,327,700
Rice, shelled	4,360,357
Spices—	
Mace	11,946
Cloves	3,729
Nutmegs	107,949
Wild nuts	8,040

	Florins.
Vanille	4,703
Sugar—	
Powdered	20,789,483
Candied	42,403
Brown	418,867
Syrup	65,982
Tobacco, in rolls or leaves . ..	2,791,347
Tea, Javanese	434,746
Tin	885,559
Birds' nests, white	130,681
,, black	33,702
Wax	16,982
Salt	198,773

Specie was exported on private account to the Eastern Archipelago during 1866 as follows :—

	Florins.
To Singapore	14,458,338
Riouw	113,725
Palembang and Banka . ..	172,150
Billiton	200,365
Sumatra	113,740
Borneo	274,708
Balie	358,775
Celebes	52,620
The Moluccas	178,721
Timor Koepang	74,093
Timor Delhie	6,786
Sumbawa . .. :.	40,000
Sandelhout	10,000
Bima	40,500
Total	16,094,521

Specie was exported on Government account to the Eastern Archipelago to the amount of 3,838,525.

Entrepôts.

The value of goods in bond has increased :—

	1865. Florins.	1866. Florins.
At Batavia, from ..	3,191,700 to	10,913,398
Samarang ..	511,205	1,043,386
Soerabaija ..	1,567,313	4,752,925
Cheribon . ..	23,882	43,637
Total ..	5,294,100	16,753,346

Goods were imported out of bond during the year:—

	1865.	1866.
	Florins.	Florins.
From Batavia, to the value of ..	3,497,387	4,383,233
Samarang	431,684	683,897
Soerabaija	1,857,994	3,388,143
Cheribon	38,235	33,146
Total	5,825,300	8,488,419

Goods were exported out of bond during the year:—

	1865.	1866.
	Florins.	Florins.
From Batavia, to the value of ..	2,742,691	2,634,547
Samarang	59,743	72,485
Soerabaija	2,563,568	2,450,505
Cheribon	..	..
Total	5,366,002	5,157,537

Comparison of import and export trade on private account during 1866:—

From and to.	Imports.	Exports.	More Imported.	More Exported.
	Florins.	Florins.	Florins.	Florins.
Netherlands	24,963,907	34,507,869	..	9,543,962
England	10,410,755	15,570	10,395,185	..
France	410,431	671,635	..	261,204
Russia	32,890	..	32,890	..
Sweden	..	39,857	..	39,857
Portugal	293	..	293	..
Hamburgh	6,476	41,502	..	35,026
Bremen	240	..	240	..
America	282,369	1,836,216	..	1,553,847
Cape of Good Hope ..	13,886	..	13,886	..
Mauritius	8,258	9,272	..	1,014
Bengal	30,982	24,030	6,952	..
Arabia	..	14,620	..	14,620
Persia	178,409	1,440,901	..	1,262,492
Manilla	318,567	56,246	262,321	..
China	889,197	1,751,936	..	862,739
Siam	338,915	134,440	204,475	..
Japan	48,478	30,596	17,882	..
Australia	479,453	3,293,638	..	2,814,185
New Guinea	3,620	..	3,620	..
Eastern Archipelago ..	15,344,427	15,586,438	..	242,011
Total	53,761,553	59,454,766	10,937,744	16,630,957
Specie	2,621,617	16,174,271	..	13,552,654
Total	56,383,170	75,629,037	10,937,744	30,183,611
Excess of Exports over Imports	..	..	19,245,867	

Navigation.

Arrived in Java and Madura :—

	1865.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
From Netherlands	172	62,883½	112	38,686
Elsewhere in Europe ..	69	19,102½	52	14,359½
Total from Europe ..	241	81,986	164	53,045½
America	15	5,224	11	3,646
Africa	1	115	2	783
Cape of Good Hope ..	12	2,977	1	180
West Indies	20	5,255½	31	11,351
China, Manilla, and Siam ..	190	36,405	80	18,566
Mauritius	1	274	..	..
Japan	5	786	1	510
Australia	40	10,931½	52	15,597
Eastern Archipelago ..	2,552	90,715¼	2,806	110,205½
Total	3,077	234,689¼	3,148	213,884

Sailed from Java and Madura :—

	1865.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
To Netherlands	451	150,663½	469	162,653
Elsewhere in Europe . ..	7	1,421	12	2,582½
Total to Europe ..	458	152,084½	481	165,235½
America	10	2,310½	17	6,123
Africa	1	153	..	..
West Indies	20	5,729½	19	6,379¼
Arabia	..	..	1	124
Mauritius	..	..	1	148
China, Manilla, and Siam ..	107	21,046¼	59	13,828⅛
Japan	1	138	2	663
Australia	25	3,651½	39	8,628¾
Eastern Archipelago . ..	2,564	100,456½	2,779	84,053
Total	3,186	285,569¾	3,398	285,183

Cleared for the Netherlands :—

	1865.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
Under Netherlands flag	346	121,348⅛	341	120,025⅛
Foreign ditto	105	29,315	128	42,627½

Of the above ships arrived :—

	1865.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
Under Netherlands flag—				
From Netherlands	171	62,257½	106	37,478
England	27	9,212	22	7,103
America	5	1,484	4	1,185
Africa	..	..	2	783
Cape of Good Hope ..	7	2,189	..	..
West Indies	2	571	7	2,250
China, Manilla, and Siam .	63	12,657½	36	9,895½
Japan	4	613	..	..
Australia	14	5,193	19	5,995
Eastern Archipelago ..	2,488	81,698½	2,775	104,642½
Total Netherlands flag .	2,781	175,875½	2,971	169,332
Under English flag	116	27,554	78	21,906½
French	25	5,218	12	2,415
Russian	3	919½	4	1,182
Hamburgh	23	3,474½	7	1,152½
Danish	18	2,150½	5	1,278
Swedish	14	3,022	13	3,495
Norwegian	3	813	2	405
Bremen	15	3,427	17	4,764½
Hanoverian	8	1,291½	2	415
Lübeck	1	240¼	..	..
Oldenburg	4	771	1	212
Mecklenburg	2	224	..	..
Prussian	5	963	4	1,019½
Austrian	1	381	..	..
Spanish	1	180½	3	486
Portuguese	3	970	..	..
Belgian	..	..	1	165
American	8	3,051½	10	4,037
Hawaian	1	237	..	..
Chinese	10	196	7	522
Siamese	19	2,431	10	1,056
Various Asiatic flags ..	16	1,298½	1	41
Total	3,077	234,689¼	3,148	213,884

And of those that sailed :—

	1865.		1866.	
	Vessels.	Tons.	Vessels.	Tons.
Under Netherlands flag—				
To Netherlands	346	121,348½	341	120,025½
England	1	210	1	527
America	..	..	2	490
Arabia	..	..	1	124
West Indies	8	2,764	15	5,502½
China, Manilla, and Siam ..	32	8,356	24	6,823
Japan	1	138	2	663
Australia	5	1,520	11	2,861
Eastern Archipelago ..	2,477	88,851½	2,749	80,421½
Total under Netherlands flag	2,870	223,188	3,146	217,437½
Under English flag	131	32,513	115	34,524½
French	16	2,898½	19	4,360½
Russian	3	947½	6	2,346
Hamburgh	22	3,192½	11	2,507
Swedish	20	4,514½	20	4,907½
Danish	24	2,702	4	415½
Norwegian	1	500	5	1,032
Bremen	18	3,910	31	9,364
Hanoverian	8	1,181	2	530
Oldenburg	5	1,096½	1	212
Mecklenburg	4	662	..	..
Lübeck	2	480¼	..	..
Prussian	5	1,091	9	1,700½
Austrian	2	762½	..	..
Spanish	..	..	4	365
Portuguese	3	706	..	..
Belgian	..	..	1	165
American	7	1,751½	9	4,164
Chinese	11	219½	8	752
Siamese	20	2,312½	5	331
Various Asiatic flags ..	14	941	2	69
Total	3,186	285,569¾	3,398	285,183

During the year 1866, 46 vessels received sailing letters for the first time for navigation within the limits of Netherlands India. Of these, 3 were of Netherlands, and 22 of foreign build.

During 1865, 24 vessels received sailing letters for the first time, 3 being of Netherlands, and 12 of foreign build.

The import and export duties levied in June and Madura during 1866 amounted to :—

	Florins	c.	Florins	c.
Import duties	6,331,381	73		
Export duties	3,277,075	3½		
Warehouse hire	95,793	4½		
Duty on consumption of tobacco	79,159	53½		
Total	..		9,783,409	34½

	Florins c.	Florins c.
Of this was restored for drawbacks	151,146 70½	
Fictitious duties on Government produce	2,432,790 47	
Total		2,583,937 17½
Net receipts of import and export duties ..		7,199,472 17

RECAPITULATION of the Trade of Java and Madura in 1866 as compared with 1865.

Imports.

The total importations of merchandize and specie amounted:—

	Florins.
In 1866 to	68,641,274
1865 to	58,874,666
Increase in 1866	9,766,608

By the Government was imported:—

	Florins.	Florins.
In 1866	12,258,104	
1865	13,108,278	
Decrease in 1866		850,174

On private account was imported:—

	Florins.	
In 1866	56,383,170	
1865	45,766,388	
Increase in 1866		10,616,782
Showing a total increase as above of ..		9,766,608

Exports.

The exportations of merchandize and specie on private account amounted:—

	Florins.
In 1866 to	75,629,037
1865 to	62,455,168
Increase in 1866	13,173,869

The exportation of staples on Government account amounted :—

	Florins.	Florins.
In 1866 to	51,931,317	
1865 to	46,120,504	
Increase in 1866		5,810,813

The exportation of goods and specie on the same account were :—

	Florins.	
In 1866 to	5,671,480	
1865 to	6,442,287	
Decrease in 1866 ..		770,807
Showing total increase to be		5,040,006

The total value of exports was :—

	Florins.
In 1866	133,231,834
1865	115,017,959
Increase in 1866	18,213,875
The total value of exports in 1866 was ..	133,231,834
Ditto imports	68,641,274
Exports exceeded imports by ..	64,590,560
The total value of exports in 1865 was ..	115,017,059
Ditto imports	58,874,666
Exports exceeded imports by ..	56,143,293
Exports on private account in 1866 were .	75,629,037
Imports, ditto	56,383,170
Exports exceeded imports by ..	19,245,867
Exports on private account in 1865 were .	62,455,168
Imports, ditto	45,766,388
Exports exceeded imports by ..	16,688,780

The foregoing Tables of the trade and navigation of Java and Madura during 1865 and 1866 need but little comment. They prove the commerce of those colonies to be of a healthy, varied, and self-supporting kind, exports and imports bearing a convenient relation to each other. This commerce is also shown to be capable of much greater expansion under liberal encouragement and the

removal of a number of existing restrictions. The abolition of the culture system would, among other benefits, relieve the Government from the burthen of collecting annually 2,400,000 florins odd of fictitious Customs duties, and planters and the public from a competition in the open marts of Amsterdam between duty-paying crops and produce, the cost of bringing which to market is unaffected by the highest Tariff. These alone would constitute no small advantages; and since the Government of the mother-country has almost ceased to derive direct gains from Java, and finds herself in the dilemma which has been depicted, she might assuredly, relying on the statistical proofs above given of the competency of private industry to flourish even amid difficulties, cast aside the "corks and bladders of protection," and tide over the present crisis in her colonial affairs by the exercise of a little prudence and economy, such as England has so successfully brought to bear on her East Indian Empire. The real mischief lies, however, in the fact that Holland has become accustomed to the spending of a large and variable colonial surplus, which she is well aware can save and moderate personal contributions at home. This surplus averaged for many years a quarter of the revenues of the kingdom. May it not be possible that this has produced a "paralyzing" effect, and also that it may have "guarded Java from the application of philanthropical crotchets and nineteenth century ideas"—as Mr. Money disdainfully calls them—until a time at length has come when action can no longer be delayed, and when a Member, rising in his place in the Second Chamber of the States-General, could thus address that Body:—

Paralysing effect of a Colonial surplus.

"The Netherlands Indian Budget for 1868 presents the following broad features: 120,500,000 of income and expenditure; 6,000,000 more expenditure than in 1867; 500,000 less income than in that year; a deficit of 19,000,000, if the Government culture system is altogether omitted from the calculation.

"A contribution of less than 10,000,000 towards covering the expenses of the mother-country, even if the prices at which the Government produce is estimated should be obtained—which is improbable.

"These figures, Mr. Speaker, are so eloquent that I have nothing to add to them except the question, where will it all end?

"The answer to this question has been given by the Minister of the Colonies at page 13 of his Memorial of Reply; 'Expenditure continues to increase while income remains stationary:' and again the Minister says, 'The embarrassments which now declare themselves will, if they continue to develop at the present rate, increase in every Department, so that, in place of a colonial surplus, we shall very soon be compelled to give an annual subsidy to the East Indies as we already do to the West."

Possible solutions of Dutch Colonial question.

Thus wrote the Dutch Minister for the Colonies only the other day; and it will now be interesting to inquire what remedies are suggested for the mitigation of an evil, the existence of which none deny.

Two great schemes have been conceived for the cure of the disease that has attacked the culture system; and though many others have been ventilated in pamphlet shape, and even broached within the precincts of the Chambers and Colonial Office, none of them have proved upon examination sufficiently practical or complete to warrant serious thoughts of application. The two great schemes referred to may be designated the public and the private schemes, as having been invented by the official and the non-official mind respectively. The first was given to the public by successive Ministers of the Colonies through the medium of the Second Chamber of the States-General; the second was circulated by private hand, clothed in the form of a commercial and industrial prospectus.

Culture Law of 1865.

The first, or public scheme, was contained in a draft Bill submitted to the Second Chamber by M. Fransen van der Putte on September 30th, 1865. It was entitled "A culture Law," and embodied the legislative bases on which all private enterprises of agriculture and industry in Java and Madura should henceforward be established. Its object was to encourage European colonization and the private culture of colonial produce, thus enabling the Government gradually to withdraw from the culture system in proportion as private culture should increase, and indirect means of raising revenue by taxation should grow up to replace the direct system of General van den Bosch. Two great difficulties assailed the adoption of this measure. The first requirement to make it feasible was land fit for culture and well situated; for it must be recollected that different soils and circumstances promote

or hinder the production of coffee as of other crops. Thus, for instance, in Bantam, a picul yearly is obtained on an average from 383 coffee trees; in Krawang, from 530; in Preanger, from 376; in Cheribon, from 494; in Soerabaya, from 209; and in Tegal, from 144—and so it is with every crop and every district. Now the Government cultures may reasonably be supposed to have taken possession of the most available and remunerative lands, and thus competition between forced, that is, all but gratuitous labour on the one side, and free, that is, paid labour, on the other, would not be easy work, and it becomes necessary to select suitable lands if the scheme should succeed to the fullest extent.

The second requirement was labour, that is to say, a free and steady labour market that might ensure a sufficient number of willing hands, at the critical seasons of the year, to sow and to gather in the ripened crops; for it must also be remembered that plucking the berries gradually one by one as they ripen instead of stripping the trees all at once (a method which is, moreover, very injurious to the plants), makes a difference of 1lb. or ½lb. of dry cleaned coffee on an average obtained from each tree. And similar fluctuations in the crop depend on clearing the trees from parasites and other careful tending at various seasons of the year.

As regards the first requirement, land, conflicting theories were held as to Government and native proprietorship of the soil. Some adhered to the belief that Government owned one-fifth, which it could dispose of at pleasure and convenience without consulting native tenures; but even if this were laid down the difficulty of selection would remain. Others argued on the arbitrary principle of the "eminent domain" of the Government. On this point no decision could be arrived at, even with the aid of ex-Governor-Generals and retired planters, who form, as it were, a Committee of Experts in the Second Chamber when colonial matters are discusssd; and finally it was referred for the solution of the Government at Batavia, who appointed a large number of eminent officials to inquire into and report upon this much vexed question. The latest accounts from Java are silent as to the results at which this Commission is likely to arrive, and it is still actively engaged in the examination of the muniment rooms of Chiefs and native landholders with a view to the

iscovery of some general principles available for the actual requirements of the case. On this issue, which was raised in the discussion of Article 1 of the Law, the Culture Bill of 1865 fell; and though revised, modified, and re-submitted, it was ultimately withdrawn by its originator. A second Bill was brought in, in 1866, this time by the Conservatives, but it was defeated by the Liberal party, and the question thus remains for future legislation.

As regards the second requirement, labour, it has proved at least equally difficult to arrive at any definite result. All parties are agreed that the present system of "Herrendiensten," or feudal labour, if liable to abuse even when growing crops on Government account, could not properly be extended to the dealings of individuals producing crops for their own personal advantage. This, it will be observed, is the same argument, only pushed a little further, that prompted the recent abolition of culture per-centages as enjoyed by Europeans. Moreover, the relative value of paid and feudal labour has been tested in private and Government gardens. Need it be said that such comparison is in favour of free labour to a degree varying from 50 to 100 per cent. It is therefore obvious, let alone the impossibility in the actual temper of the native population on this point, a temper that has been daily fanned during the last few years by the unwise efforts of a singularly virulent local press—let alone the utter *impossibility* of extending compulsory labour, even if paid for, to private planters, such planters would only be thereby themselves the greatest losers in the long run. An example has, besides, been given of the possibility of procuring free labour even in districts where the labour of the population is absorbed for many months a-year by Government plantations and other "Herrendiensten." This example is the construction, by private enterprise under Government guaranteed interest, of 100 miles of railway, connecting Samarang with Soerakarta (the only railway yet existing in Netherlands India); and this would surely augur well for the supply of the native labour market if the yoke of "Herrendiensten" were in whole or part removed.

Thus some scheme for the definition or abolition of "Herrendiensten" becomes an essential portion of every legislative enactment on this subject. Such "Herren-

diensten" as provide for maintaining, in repair, roads, bridges, schools, and even, perhaps, the Regent's houses and grounds, might possibly be preserved under suitable revision and guarantee against abuses; but the rendering of feudal service in planting, tending, reaping, and stacking produce, building barns, and other agricultural and industrial operations now performed in such manner could manifestly not with propriety, nor even with advantage, be placed at the discretion of any planter possessing the amount of credit or ready money necessary to establish a coffee plantation or a sugar factory on his own account.

The West Java Coffee Culture Company.

The second, or private scheme, proposed to effect by one simple and immediate operation all the results attainable in the course of many years under the first or public scheme. It was proposed to found at Amsterdam a vast joint-stock company, who should purchase from Government, for a good round number of millions of florins, a monopoly of all the land, plant, and machinery of the coffee culture system. The local "Herrendiensten" were to be redeemed by the company, and Government and the Chiefs pecuniarily compensated for loss of such service. Moreover, a large annual payment was to be made to the Government, calculated at some millions of florins in excess of their net receipts on an average of recent years. This scheme added to the impolicy of preserving a monopoly system the extra objection of intrusting it to individuals, and was therefore generally rejected by the public feeling of the country; though it afforded, no doubt, under proper and attainable securities, a speedy and effectual remedy for the immediate embarrassments of the mother-country.

Though abandoned, however, in the form first proposed, this scheme is very likely to assume, on some future day, a more popular aspect. The Land Tenure Inquiry Commission in Java, is being conducted on a plan favourable to the establishment of native claims to the proprietorship of the soil, and independently of the fact that the Government plantations lie most favourably as regards facilities for labour and exportation, there exists in the States-General a growing and sincere desire that the Government should, sooner or later, be released from direct participation in trade risks, and from the imputation of being a cruel taskmaster.

But the adoption of any such purchase, or other

scheme tending to increase the numbers of European planters, would only render a "culture law," affording legislative securities to both the planter and the ryot, more absolutely essential, and no doubt every day that action in this matter is delayed is fraught with danger and pecuniary loss.

Possibility of extending private coffee culture in Java.

One of the many fancied obstacles to successful private coffee culture in Java, which it has been proved possible to overcome, is perhaps sufficiently important and instructive to deserve remark. Experience proves that the coffee shrub thrives best on the slopes of volcanic mountains, and at an altitude of from 3,000 to 4,000 feet. It thus occupies in Java, according to a great authority, Dr. Junghuhu, the lower limits of the wilderness formed by virgin forests in the two highest zones of that island. The most favourable soil is decomposed lava, which contains large quantities of alkali. Chemical examination of the coffee berry shows that it can be reduced to a sort of ash, consisting for the greater part of alkali. This is, consequently, the chief mineral part of the coffee berry. Now, all the other portions of the tree, including the husks, are left on the ground, and return in time to the soil whence they sprang. The berry alone is removed, but with it large quantities of the essential alkali. This explains the fact, noticeable in old abandoned coffee gardens, of the continued growth of magnificent coffee trees, yielding not a single berry—the alkali in the soil being almost exhausted. The tree when planted in suitable soil bears its first good crop in its fourth year, and continues, with certain fluctuations in favour of the harvest every third season, to bear during eight or ten years. In twelve or fourteen years, therefore, the Government, having a practically boundless command of suitable lands, abandons a coffee garden, and occupies instead some other ground which has been previously planted and cultivated with that intent. In course of time, when the alkali in the soil is at length quite exhausted, the abandoned coffee trees decay, returning to the soil a portion of the alkali to which they owed their berries; and nature, by a mysterious process whereby lava containing the required alkali is constantly being forced to the surface, gradually prepares these grounds for future use. Still the process by which nature renovates abandoned coffee lands is so slow as to preclude the possibility of a planter patiently await-

ing its performance; and as the private planter has not a practically unlimited extent of new ground awaiting occupation, he is compelled to follow the elementary agricultural remedy of giving to the land an equivalent for what he carries off in crops. Experience has proved that this result is easily and cheaply attainable by fire. The forest is burned the moment the trees cease to bear, and the soil is found to be sufficiently enriched by the alkali contained in the ashes which remain, and fit for immediate replanting. Thus besides avoiding the necessity of leaving half the island an uncultivated, overgrown, tangled, and decaying wilderness, and saving the population the needless and unremunerative toil of constant shiftings from one locality to another, and the construction ever and anon of new plantations, to be abandoned in a decade, it has been discovered that by the application of a little chemistry to coffee farming, the berry bearing qualities of the soil can be not only continued indefinitely but actually increased.

All arguments, therefore, based on the inability of private individuals, or even of the Government, to extend coffee cultivation into Java to an extent commensurate with the area of available lands, fall to the ground; and whatever may be the fate of Government culture in that island, scarcely any reasonable doubt can be entertained that the private coffee planter has a wide field awaiting him, and ready to reward a prudent investment of his capital and industry.

The prospects of the future sugar planter are even brighter still. For whereas the coffee-plant was introduced from Malabar in 1696, its export from Java dates only from 1706, and even now the plant is regarded as an exotic requiring every care. The sugar-cane is indigenous, grows in tangled brakes, and yields abundant crops, without artificial or chemical aid.

Existing regulations concerning private culture contracts.

The regulations under which coffee and sugar planters now carry out their contracts with the Government and the natives, for labour or the delivery of produce, are numerous, and in some cases conflicting. They date as far back as 1838, and are to be found in the "Staatsblad," or Gazette, for Netherlands India, for that year, for 1857, 1861, and 1863, numbered 50, 116, 40–41, and 152 respectively. In some respects the Regulations of 1861 are less liberal than those of 1838. All has depended upon the Governor-General for the time being, under

whom the Regulations have been framed. To settle in Java, and enter upon contracts with the natives, his permission is an absolute necessity; and in the native States of Djokdjokarta and Soerakarta this permission is seldom given without full security for good conduct on the part of those who seek it, lest extortion or unwise conduct on their part should give rise to troubles with the native Sovereigns, whose independence may perhaps be compared with that enjoyed by the Nizam and Scindia.

Waste land regulations.

Permission to settle in waste lands (of which there are over 3,000,000 acres available for cultivation) not belonging either to Government, the communes, or individual native proprietors, is also granted by the Governor-General, at his discretion, under Regulations 19 of 1836, and 64 of 1856.

Necessity for Legislative security.

Thus under the existing system, all depends upon the liberal and exclusive views of the Governor-General; and this can hardly fail to influence unfavourably the flow of capital and European industry to Netherlands India. No security exists that a permission or contract given now may not be withdrawn or cancelled hereafter; and capitalists consequently hesitate to build factories and embark their money under such conditions, A second unfavourable result of such uncertainty is, a tendency towards the occupation of this field for enterprise and colonization by individuals more nearly resembling the adventurer than the monied man. Credit takes the place of capital, and both land and labour have to serve the purposes, *i.e.*, fill the pockets, of two masters, the money-lender and his client. Some proof of this is afforded by the fact that 9,000,000 florins sent out to Java for investment were remitted back to Holland during the past year, on account of the feeling of uncertainty as to the future, and consequent want of good security, that prevailed.

Possible opening for private enterprise in the dependencies.

Probably the earliest and best results of private enterprise may therefore be expected from the so-called "dependencies" of Java, which being, as has been shown, burthens on the State, are no longer hedged about with such practically exclusive regulations as still maintain in Java and Madura. The time may come, for instance, when Netherlands India coal shall be left to find its level in the Eastern market, instead of being delivered, as now, only in accordance with the fancied capabilities of its production and consumption.

It is, indeed, difficult to understand the motives that have hindered the development of the coal trade from South and West Borneo, Sumatra, and other islands where that valuable product has been discovered.

Netherlands India coal.

A general knowledge of the existence of this hidden source of wealth in Netherlands India was first disseminated in 1866 by a little work of much practical merit, published at Rotterdam by M. Cornelis de Groot, ex-Engineer-General and Director of Netherlands Indian Mines. This work was a digest of an elaborate Report made to the Government on the subject in 1864, and may therefore be regarded as authoritative. The author himself is evidently displeased at the little impetus to the development of the coal trade which his efforts have produced; and he is quite at a loss to account for what he terms the indifference manifested on this interesting and important matter.

"For about fifteen years," he writes, "I have worked for Netherlands Indian coal, which, according to my conviction, is in all respects a perfect article of fuel for the generation of steam."

In one of the best mines yet discovered, and named the Orange Nassau Mine, situated in South-West Borneo, experience of over ten years shows that coal can be shipped at a cost of 9 florins per ton. The quantity is undefinable; and, judging from what follows, the quality would appear to leave little to be desired:—

1. Orange Nassau coal, which is precisely the same as that of many other mines in Borneo and Sumatra, was tested in 1852, on board His Majesty's ship "Vesuvius," and compared with Aberdare (Welsh) coal. The results attained were as follows:—

a. Borneo coal was less crushable;

b. Stoking with Borneo coal, steam was got up in one hour and thirty-nine minutes; and with Welsh coal, in one hour and thirty minutes;

c. Steam could be kept up with less consumption of Borneo than of Welsh coal;

d. Borneo coal gave 8 per cent. less ash;

e. Borneo coal contained 8 per cent less stones.

2. Borneo coal was chemically and technically examined at the Imperial Royal Institution at Vienna, and compared very favourably with German and Hungarian coal.

3. The chemical examination of Borneo coal made by the Museum of Practical Geology in London, agrees with

the laboratory experiments made at Buitenzorg, in Java, and proves Borneo coal to be "good steam coal."

4. Selected Borneo (steam) coal was compared with selected English (steam) coal, and showed—

a. That English coal contains more sulphur;

b. That most English coal gives more ash;

c. That the best English coal gives out 18 per cent. more heat, and the worst English coal, 8 per cent. less heat than Borneo coal.

5. Chemical analysis proves Borneo coal to be "black and hard," and not "brown and earthy."

Private industry has not been backward in demanding to be supplied with Borneo coal. In 1853, the Peninsular and Oriental Company applied for 4,000 tons to be fetched by them at Bandjermassin, at 30 florins per ton; and M. W. Cores de Vries, a large steam-ship proprietor, consumed nothing but Borneo coal for many years on board his vessels, without ever complaining of the price or quality.

"Fuel is the bread of industry," says a well-known standard writer; and it is to be regretted that while European industry in the Eastern Seas is demanding this kind of nourishment, the Administration Reports published by Government should still teem with sentences like the following:—

"In 1863, the Government decided not to give any development to the coal trade of Borneo, further than is necessary to ensure a supply of that article, in the event of failure, owing to any unforeseen circumstance in the importations from Europe or Australia." And again: "No action has been this year taken towards carrying out the proposal of the Director of Mines to open a new Government shaft, to be called 'Delft,' above Martapoera."

The objections made to the use of Borneo coal are, that its smaller specific gravity than English coal occasions in general a somewhat larger consumption; and this is also said to tell unfavourably on the wear and tear of boilers and machinery. The first objection is no doubt important in the case of ships where stowage for long voyages has to be considered; but on this point the statements made in the Government Administration Report of 1863 appear to differ from the account given by the ex-Director of Netherlands Indian Mines, of the trials on board His Majesty's ship "Vesuvius" in 1852. But even were this objection

established, it would have little effect on the value of the fuel for manufacturing and domestic uses. The wear and tear question would have to be considered in connection with the relative price of the two fuels; and it is quite a matter of opinion whether a large and profitable margin might not thus be obtained by the consumption of Borneo in preference to Welsh coal. However this may be, there is no doubt that coal in vast quantities is to be found in Borneo, and that this coal is capable of sustaining comparison with the produce of the best Welsh mines; and it is almost equally certain that the prevailing tendency to throw open to public competition the different branches of industry which exists in Netherlands India, will ere long place the value of Borneo coal beyond the realm of doubt.

As this is a matter of some importance, and as the Secretaries of Legation and Consular Reports on Coal presented to the House of Commons in 1866 and 1867 are almost silent on the subject of Borneo coal, the following Tables may not be superfluous or greatly out of place.

PRODUCE of the Pengaron Coal Seam.

	Tons.		Tons.
1849	1,160	1857	10,931
1850	4,343	1858	13,402
1851	7,376	1859	5,863
1852	7,752	1860	558
1853	11,840	1861	1,839
1854	14,000	1862	2,476
1855	15,979	1863	1,962
1856	13,325	1864	3,680

The falling-off in and since 1859 is to be attributed to a revolt which broke out in that year in the Province of Bandjermassin, and from the results of which that part of Borneo is only now beginning to recover.

The total produce of the three shafts of the Orange Nassau Mine has been officially estimated by M. C. de Groot, at between 15,000 and 18,000 tons a-year. The same authority states that equally good if not better quality of coal is to be found on the Upper Kapocas River in West Borneo, and in the coal-field of Bockit Soenoer, in the Province of Benkoelen, in Sumatra.

The following two Tables show the positions assigned by M. C. de Groot in an appendix to his work, to Borneo coal as a warmth-giving fuel. Twenty-six British coals have been selected by him for comparison, and he states

that the figures given as regards British coals are extracted from English Blue Books. The experiments of which these Tables represent the results, were made at the Royal Laboratory at Buitenzorg in September and October 1864.

Name of Coal.	Per-centage of Sulphur.	Per-centage of Ash.	Heat properties according to Berthier.	Country.	Observations.
Llangennech ...	0·29	6·54	7381		
Resolven	5·07	Undetermined	7268		
Graigola	0·45	3·24	7232		
Ebbw Vale	1·02	1·50	7227		
Binea	0·33	3·96	7151		
Ward's Fiery Vein ...	0·83	Undetermined	7110	South Wales ...	18 per cent. more warmth-giving power than the Orange-Nassau coal.
Oldcastle Fiery Vein .	0·09	2·64	7099		
Pentrepoth	...	3·36	7042		
Menydd Newydd ...	1·21	3·24	6857		
Pentrefelin	0·12	6·09	6898		
Slievardagh ...	6·76	Undetermined	6803	Ireland.	
Powell's Duffryn ...	1·77	3·26	6780	South Wales.	
Cwm Nanty-Gros ...	3·01	5·60	6708		
Wallsend Elgin ...	1·53	10·70	6690		
Fordel Splint ...	1·46	4·00	6554	Scotland.	
Grangemouth ...	1·42	3·52	6436		
Cwm Frood Rock Vein	1·22	6·00	6396		
Bedwas	3·50	6·94	6373	South Wales.	
Pontypool	2·39	5·52	6206		
Shafts A, C, and D, of Orange-Nassau ...	0·29	2·70	6029	Borneo	
Three-quarter Rock Vein	2·85	10·96	6016	South Wales	These two coals are almost identical in heat-giving power. The three-quarter Rock Vein is principally exported to the East and West Indies, Brazil, Africa, and the Mediterranean.
Dalkeith Jewel Seam .	0·33	4·37	5971	Scotland.	
Coleshill	2·34	8·92	5908	North Wales.	
Sydney Park End ...	2·27	10·00	5853	Forest of Dean.	
Broomhill	2·85	3·07	5722	Northumberland.	
Porthmawr Rock Vein	0·91	14·72	5600	South Wales.	
Dalkeith Coronation Seam	0·38	3·10	5551	Scotland	8 per cent. less warmth-giving power than the Orange-Nassau coal.

Name of Coal.	Carbon.	Carbonated Hydrogen.	Chemically contained Water.	Hygroscopical Water.	Total Heat-giving Power.	Country.	Observations.
Ebbw Vale	0·8859	0·0503	0·0043	0·0134	8648	..	20 per cent. more total heat-giving power than the Orange-Nassau coal.
Bonea	0·8794	0·0446	0·0114	0·0032	8418		
Powell's Duffryn	0·8727	0·0454	0·0066	0·0113	8390		
Menydd Newydd	0 8420	0·0528	0·0394	0·0061	8359		
Pentrepoth	0·8803	0·0406	0·0361	0·0078	8288		
Bedwas	0·7959	0·0575	0·0166	0·0128	8144		
Cwm Froad Rock Vein	0·8134	0·0533	0·0398	0·0112	8142	South Wales.	
Pontypool	0·7943	0·0503	0·0485	0·0160	7889		
Oldcastle Fiery Vein	0·8164	0·0416	0·0355	0·0740	7771		
Pentrefelin	0·8492	0·0313	0·0508	0·0070	7742		
Resolven	0·7812	0·0467	0·0006	0·0155	7699		
Cwm Nanty Gros	0·7766	0·0485	0·0622	0·0690	7688		
Graigola	0·8398	0·0290	0·0800	0·0106	7578		
Broomhill	0·7474	0·0514	0·0450	0·0931	7507	Northumberland.	
Wallsend Elgin	0·7424	0·0447	0·0555	0·0249	7290	Scotland.	
Three-quarter Rock Vein	0·7391	0·0423	0·0558	0·0167	7194	South Wales.	
Porthmawr Rock Vein	0·7345	0·0427	0·0398	0·0170	7177		
Grangemouth	0·7503	0·0395	0·0907	0·0642	7151	Scotland.	
Sydney Park End	0·7153	0·0475	0·0709	0·0278	7150	Forest of Dean.	
Fordel Splint	0·7341	0·0412	0·0864	0·0840	7066	Scotland.	
Coleshill	0·7039	0·0391	0·0889	0·0491	6777	North Wales	These two coals are similar; and Coleshill coal is largely used in Liverpool as steam coal.
Shafts A, C, and D, of Orange-Nassau	0·7130	0·0375	0·1455	0·0491	6768	Borneo	
Slieverdagh	0·7617	0·0219	..	0·0493	6754	Ireland.	
Dalkeith Coronation Seam	0·7266	0·0305	0·1676	0·0588	6643	Scotland.	
Heathen	0·7041	0·0332	0·1234	0·0952	6550	South Staffordshire.	
Dalkeith Jewel Seam	0·6817	0·0293	0·1595	0·0936	6231	Scotland ..	8 per cent. less total heat-giving power than the Orange-Nassau coal.

It is difficult to estimate, and perhaps impossible to exaggerate, the wealth that might be realized by throwing open to private enterprise the trade and industry of the Netherlands Indian Possessions; and it must be remembered that this is an event which cannot now be long delayed. Gold in the Celebes, copper in Timor, diamonds in Borneo, petroleum in Java and Madura, tobacco in Rembang, coal and precious stones almost everywhere, and in practically unlimited quantities; one and all await but the touch of the magician's wand to start into activity and relieve the actual embarrassments of Dutch Colonial Finance.

These embarrassments have, as has been seen, been estimated by a careful and impartial authority at 250,000*l.* sterling of deficit per annum, and are thus of sufficient magnitude to justify some statistics as to the geographical area, population, &c., of the islands concerned. The figures that now follow, representing area, are taken from the highest source, being transcribed from the most recent works of M. Melvill van Carnbee. The estimates of population are the latest of those given in the different Administration Reports of the Netherlands India Government.

Area of the dependencies on Java.

	Geographical sq. miles.
Sumatra, West Coast	2,200·6
Benkoelen	455·6
The Lampongs	475·0
Palembang	1,340·0
Djambi	1,218·4
Banka, &c.	356·0
Riouw, &c.	148·6
Borneo	9,373·7
Celebes, with Soembaya and Boeton	2,149·9
Amboyna	478·9
Banda	411·3
Ternate	1,129·7
Manado	1,267·2
New Guinea	3,210·0
Timor, &c.	790·8
Soemba	251·8
Bali and Lombok	190·0
Total	25,447·5

The estimates of the population of the above islands embrace the population of almost all of them, excepting Sumatra and Borneo, in which cases the population of the independent States of Acheen, &c., and of Brunei, &c., are not included. No estimate is given for New Guinea.

Population of dependencies.

Sumatra, West Coast	1,005,444
Benkoelen	112,999
The Lampongs	82,974
Palembang	465,630
Banka	47,189
Billiton	12,410
Riouw	23,465
West Borneo	333,194
South-east Borneo	513,494
Celebes, &c.	278,574
Amboyna, &c.	187,474
Banda, &c.	110,054
Ternate	89,400
Manado	147,936
Timor, &c.	1,646,450
Total	5,056,487

Article in "Java Bode" on the Administration of Riouw.

It is to be regretted that the form adopted in the Administration Reports, published by the Government, renders it a work of very great labour to arrive at the financial results of each island or dependency; but some insight into the nature and cost of the various local Governments that administer the affairs of the dependencies has recently been afforded by a very complete article, dated Riouw, November 25, 1867, which appeared in the "Java Bode" newspaper of the 14th of December last. In it occurs the following Table of revenue and expenditure of this residency from 1839 to 1858, derived, it is said, from official sources.

Year.	Receipts.	Charges.	Deficit.
	Florins.	Florins.	Florins.
1839	224,900	360,509	135,609
1840	227.720	349,086	121,366
1841	243,256	359,140	115,884
1842	253,608	291,380	37,772
1843	183,754	294,703	110,949
1844	196,168	269,848	73,680
1845	206,696	305,640	98.944
1846	174,491	261,095	86,604
1847	151,854	248.025	96,171
1848	152,447	259,839	107,392
1849	127,961	278,171	150,210
1850	151,117	270,797	119.680
1851	144,673	261,054	116,381
1852	198,330	294,034	95,704
1853	217.105	297,351	80,246
1854	276,775	297,976	21,201
1855	247,755	274,126	26,371
1856	259,062	281,652	22,590
1857	264,880	348,691	83,811
1858	229,819	437,060	207,241

These figures show great variations in the deficit; but leave no doubt of its annual recurrence. They were commented on pretty nearly as follows in the "Tidjschrift" for March 1868:—"This deficit reached its minimum in 1854, when it amounted to little more than 21,000 florins, rising in 1858 to nearly ten times as much, viz., to more than 2 tons of gold (lakhs). A special reason for the rise of both income and expenditure from 1839 to 1842 is to be found in the Dutch establishment at Indragiri on the east coast of Sumatra, which was then governed by an Assistant Resident, subordinate to the Resident at Riouw. The evacuation of Indragiri in 1843 greatly reduced the revenue; and the expenditure of 1844 shows a great and corresponding diminution. The troubles with Siak later gave rise to considerable expenses, and a correspondingly increased deficit; and in 1858, the year when this last was highest, it must be remembered that the whole expense of the Settlement of Siak, and of the measures for the re-organization of that province under the Treaty with its Sultan, of December 31, 1857, is included, without any increase of revenue on that account."

The letter to the "Java Bode" further contained the following:—"The recent public auction of various farmed taxes gives me an opportunity of writing to you on the present financial condition of Riouw, and shows that although Riouw has as yet been a charge upon the resources of the Government, this state of things will soon be changed if the present rate of progress only continues. The following are the prices at which the various farmed taxes were leased in 1866:—

	Florins.
"Opium	96,000
Gambling licenses	27,600
Miscellaneous small taxes	30,360
Slaughter of pigs	18,360
Arrack and strong drinks	18,120
Pawnbroking	1,800
Total	192,240

"In 1867 these direct incomings rose to the sum of 221,904 florins, and they are leased for 1868 at 407,088 florins.

"In two years' time the farmed taxes have thus more than doubled, while the expenditure has remained stationary. If increased consumption of opium is a proof

of increasing wealth, few Residencies can compete with Riouw; for whereas the right of retailing opium was sold in 1867 for 108,000 florins, a lease has just been made for 1868 at 243,720 florins." (It must here be remembered that the Dutch Indies opium revenue differs from our own, in that opium is by them imported into Java from Calcutta, &c., for what may be termed home consumption, instead of being grown at home for export to China, &c.) "Other branches of revenue also show a great advance. Gambling licenses are leased for 1868 at 42,720 florins, retail of arrack and strong drinks at 45,000 florins, and the tax on slaughter of pigs at 29,220 florins. Pawnbroking alone was little bid for, and only fetched 612 florins.

"In 1866, the total revenue of Riouw amounted to 393,990 florins—a sum which the expenditure exceeded by 308,836 florins. Of this sum our possessions on the east coast of Sumatra swallowed up 105,000 florins, while 150,000 florins went towards the Dutch navy, and about 140,000 florins were for the garrison. At different dates money was received from Java, to the amount altogether of 314,025 florins, by which the deficit was met."

On this the "Tijdschrift" comments thus:—"The cause of the considerable increase in expenditure, and luckily also of the more than corresponding increase in revenue is doubtless the great portion of the east coast of Sumatra which is now under the jurisdiction of Riouw. The organisation of the Civil Administration in the Kingdom of Siak, in accordance with the decision of March 27, 1864, published in the 'Gazette' (whereby an Assistant Resident, two Controllers of the first, and three of the second class, together with the necessary native assistants, were appointed, and compensation to the Native Chiefs and other charges incident to the Settlement at Indragiri were paid), represents certainly an expenditure of not less than a ton of gold. But, on the other hand, the East Coast of Sumatra cannot fail to contribute largely to the revenues of Riouw; and when it is remembered that this latter, being a free port, levies no import or export duties, it could not be expected to raise by itself in 1866, 2 tons of gold, revenue, in excess of the farmed taxes. In 1863, the then existing taxation imposed by the Sultan and Chiefs of Siak was taken over by us, compensation being afforded to them. Some taxes have since been abolished; but imports and exports, the Sultan's salt

monopoly, the opium lease, and the troebock (a kind of sturgeon) fishery, are maintained. What these sources of revenue bring in, and in what proportion revenue is raised from Deli, Batoe-Bara, and other vassal States of Siak, is entirely unknown to us."

The writer of the letter under review concludes by stating that there exists a great opening for European capital and industry at Riouw, and he points to the magnificient pepper and gambier gardens as proofs of the fertility of the adjacent Islands of Bintang, Battam, Giu, &c.

Reliable and recent works of reference on the Dutch Indies.

On the subject of these "dependencies," as, indeed, on all matters connected with Netherlands India, the most detailed and accurate information is to be found in an "Encyclopædia" now coming out in Holland, and edited by M. H. van Alphen (to whom reference has already been made) and Professor Veth. This great work may be said to be now nearing completion, having reached letter T. It is entitled, "A Geographical and Statistical Dictionary of the Netherlands Indies," is the book of reference in use at the Dutch Ministry of the Colonies, and may be quoted as the highest authority that exists on the subjects of which it treats. To Englishmen it will be a matter of just pride and satisfaction that in it constant reference is found to the exhaustive standard works of Sir Stamford Raffles, Marsden, Crawford, and other English writers, to whom Holland still remains indebted for much of the most accurate geographical and scientific information on record respecting the Dutch East Indies. Of Dutch works pressed into the service of this "Encyclopædia" two are of sufficiently recent publication and importance to call for observation. The first is a historical work of great research and merit by Herr van Deventer, the second is Dr. J. Pijnappel's "Geography of the Netherlands Indies"—a book adopted by the Government schools, and valuable for combining completeness and accuracy with comparative brevity.

Sumatra.

In the "Encyclopædia" above-mentioned, a very complete account is given of the native Kingdoms and the existing Dutch Administrations in Sumatra, and from it the information that now follows is extracted. The area of Sumatra is estimated at 8,305 geographical square miles, *i.e.*, about equal to that of Spain, and thirteen times that of Holland. The island is mountainous and magnificent,

sparsely peopled, and compares best of all European countries with Norway, having 273 inhabitants to the square mile, while Java has 5,585, or nearly an equal density of population to Holland, and is in this respect to Sumatra as 20 to 1.

The population of Sumatra is composed as follows :—

Malays	898,650
Acheenese	450,000
Palembangers	201,000
Sarawis of Pasoermanezen	160,000
Nedjangers	72,000
Lampongers	92,000
Bataks	311,860
Wild tribes	6,000
Total	2,191,510
West Coast Islands	294,900
Total	2,486,410

This population produces annually the following average crops :—

	Piculs.
Rice	4,850,000
Coffee	140,000
Pepper	2,400

Besides small quantities of cinnamon, cochineal, &c. Rice is the staple food of the population. The deliveries of coffee and pepper are compulsory, and form a source of income to the Dutch Government, as they do to the native Government in Acheen. The rest of the revenue is raised on imports, exports, salt, opium, and other farmed taxes. The natives are treated with much more consideration than in Java, being of a more independent manly race. The local burthens cover the expenditure, and the island yields a surplus to the Java finances of about 500,000 florins. It imports and exports goods to the value of 5,000,000 and 8,000,000 of florins respectively in round numbers, and may be said to be in a very prosperous condition.

The Encyclopædia divides Sumatra under two political headings—

1. Independent Sumatra, comprising—

A. Acheen.
B. Batak.

2. Dutch Sumatra, comprising—

A. Dependencies on Riouw, viz.:—
(1.) Siak; (2.) Kampar; (3.) Indragiri; (4.) Kwantan; (5.) Reteh. The extent of independence enjoyed by these States may be compared to that enjoyed by the minor States of the Rajpoot group in Hindostan; but is on the whole slightly more circumscribed.

B. Residency of Palembang:—
(1.) Djambi (on the same footing as Siak, &c.); (2.) Kingdom of Palembang (comparable to Nagpore, administered by Dutch officials since 1825, when the last Sultan submitted to Netherlands rule).

C. Residency of the Lampongs:—
Formerly subject to the Sultan of Bantam. Conquered by Marshal Daendels in 1808. Became unruly after its restoration by the English in 1819; and was finally subdued in 1856.

D. Assistant Residency Benkoelen:—
Occupied by the British East India Company in 1686. The scene of Sir Stamford Raffles' labours from 1818 to 1824, when it was ceded to Holland.

E. Government of Sumatra, West Coast:—
First Dutch Settlement made in 1637. Occupied by the English in the name of the Prince of Orange, in 1795. Restored in 1819. It is subdivided as follows:
(1.) Residency of Padang; (2.) Residency of Upper Padang; (3.) Residency of Tappanoeli; (4.) Superintendence of some of the wild races inhabiting the Batak lands, who are semi-independent, and acknowledge a divided allegiance to Holland and Acheen.

Such is a skeleton of Dutch administration in Sumatra; and though it may be of the rough and ready type best adapted to the wants of wild hill tribes, the following Table proves that the Netherlands Government has not shown itself either unable or unwilling to extend to that country an instalment at least of those educational advantages, a due appreciation of which at home has raised Holland to so high a place in European estimation:—

	Native Schools.	Scholars.		
		1862.	1863.	1864.
Residency Padang ..	16	440	514	528
Ditto, Upper Padang .	8	168	280	316
Ditto, Tappanoeli ..	10	126	187	341
		734	981	1,185

In these schools the Malay and Batak languages are taught, reading and writing being taught in Arabic and Roman, and Batak and Roman characters, respectively. Religion is not taught, but the books employed give a Mahometan tone to the instruction. The scholars are from 7 to 25 years of age, and the schools are under the supervision of Government officials.

The one thorn in the side of the Dutch dominion in Sumatra, is the foreign mercantile community of Singapore, which, beyond their own control, drives a thriving and a half-illicit trade in fire-arms, ammunition, opium, and other elements of disorder and bad morals. In practice it has proved difficult to check this evil, and prevent hardy speculators from covering the northern coasts of the island with articles of this kind, for which a ready market at high prices is not wanting. The Decrees of the Dutch authorities are quite inadequate to deal with it, so long as a spark of independence glows, however dimly, in the lawless kingdom of Acheen. The mountain passes and frontiers which separate Acheen from what may be termed the non-regulation provinces of Dutch Sumatra, and which separate these in their turn from the more civilized and better-governed districts, are ill-defined, and practically inaccessible to the Majesty of the law, save at a ruinous cost; and bowie-knives and pistols, gunpowder, and the most pernicious drugs, once that they effect a landing, are rapidly passed on from hand to hand, across the hills, and down the deep ravines, until the traders' stock has dwindled down to isolated possession, and can no more be traced or confiscated.

Inevitable extension of a paramount power in the East.

This is probably the key to the geographical extension which marks the Dutch dominion in the East no less than it has marked our own. Java and Bengal are both milch cows, and fairly comparable. Finance alone would long ago have prompted scrupulous adherence to their natural boundaries. Practically, however, this has proved an impossible though a much-desired policy; for their possession has entailed on each proprietor an almost uninterrupted succession of wars and expeditions, necessary for the support of a supremacy at home that is dependent on the part a country plays in contests with its warlike neighbours.

It might be thought that in our case a policy of isolation and non-concern would be more difficult than in an

island Government like Java. But really it is not so. Java has still remaining two strong native Governments, Soerakarta and Djokdjokarta. Marshal Daendels, as has been seen, conquered the Sultan of Bantam in the west corner of Java in 1808. Holland then succeeded to the Lampong districts in Sumatra, and to a portion of the western coast of Borneo (which were, so to say, Colonies of Bantam), and became thereby, even had she not had dealings on those coasts for 150 years before, inseparably bound up in their affairs. To have denied, or not to have acted up to the paramount position thus established, would most undoubtedly have degraded Holland in the eyes of the ruling houses of Soerakarta and Djokdjokarta, no less than a failure on our part to support our candidate for some central Indian throne, would weaken our supremacy over the Royal Courts of Gwalior and Indore.

In the East, as elsewhere, the evil must be taken with the good, and Governments must act up to the standard of their obligations as fixed by the native mind. On no other terms has any Eastern Empire yet been won, and on no other terms will any Eastern Empire ever be maintained.

This is the policy which has been successfully pursued by Holland and ourselves. It is the policy that has led in our case to the conquest of the Punjab, of Scinde, and even of British Burma, and in the case of Holland to the occupation of the sister islands of Sumatra, Borneo, and a thousand others. A previously existing higher stage of civilization, accompanied by a more powerful administrative machinery, a less impassable and more densely-peopled country, the absence of the intervening sea; and it must also be admitted, though this last advantage must not be too highly estimated, greater national resources have contributed to render the character of our successes more complete; but this circumstance does not break down a just analogy between the Dutch and British Indies; and it only remains for the mother-country that has been less favoured, to walk in the liberal path that we have shown to her, and by favouring private enterprise in mines, in manufactures, in forests, in irrigation, in roads, and navigation, to open up the countries over which she holds dominion, to the advantage of an intercourse with other markets and portions of the world than are represented by the "Handel-maatschappij," or a smuggling connection

with the Singapore monopoly of the pistol and the knife trade.

If there is a country in the world more in want of an influx of such foreign enterprise than Sumatra, that country is the sister isle of Borneo, the whole interior of which is pathless wilderness, alternating with impenetrable forest, seamed by a hundred splendid rivers, all navigable to a greater or a less extent. The coasts are generally fringed with deep morass extending some miles inland, and forming the almost exclusive abode of crocodiles, leeches, and other amphibious brutes. Beyond this fringe, however, a splendid mountain country, with large deposits of rich alluvial land, capable of bearing almost any crop, the cultivation of which is varied by the constant discovery of gold, diamonds, antimony, and coal. The aborigines are treacherous, and mostly heathens, vaguely estimated at 1,000,000 in number, and afford a splendid opening for any amount of missionary zeal. Borneo.

The present proprietors of this country may be said to be four in number:—the King of the Netherlands; the Sultan of Brunei; Raja Brooke, of Sarawak; and Raja Torrey, of Ambong and Maroodu, an enterprising citizen of the United States, who procured, in 1866, from the Sultan of Brunei, the cession, for commercial purposes, of a territory, commencing on the east side of Borneo in the Sulu Sea, at about 5° north latitude, extending north through the islands to 12° north latitude, and terminating in 6° north latitude on the western side of Borneo in the China Sea.

The Dutch possessions are divided into two great Governments styled the Western and South-Eastern. The Western, which is confided to a Resident, is subdivided into the Pontianak and Sambas districts. The Resident resides at Pontianak, and an Assistant Resident rules at Sambas.

Subject to the Resident at Pontianak are the following lands:—Tajan, Landak, Southern Mampawa, Sintang (where an Assistant Resident resides) with Selimbouk and Upper Kapocas, Sangourd, Sekadourd, Montrado (also an Assistant Residency), with Singkawang, Koelor, Soengei-Doeri, Soengei-Raja, Lara, Loemar, and Boedokh.

Pamangkat and Seminis are subject to the Assistant Resident at Sambas.

The South-Eastern division is subdivided as follows:—

In the South are the Kingdom of Kota-Waringin, and the districts of Pembocang, Medosoe, Sampit, Katiagan, Oeloe, Iler-bocloe, Sem-bocloe, Great and Small Dajak, Bekonissai, Doeson, Bandjermassin, and Tanah-Laut.

The Eastern subdivision administers the affairs of the Kingdoms of Tanah-Boemboe, Pasir, Koetei, Sambilioeng, Goenong-Teboer, and Boeloengan, and the counties of Tidoeng and Koesan, to which, since 1845, Batoe Litjen and Paloe-Laut belong.

The principal efforts made to open up this enormous island to trade and cultivation, consist in a network of military roads converging at Sambas, Pontianak, and Bandjermassin, and the progress made has consequently been slight and slow. Who will say, however, but what, subject to the influence of a vast influx of capital and labour, and with the active encouragement of the Government, Borneo may not some day be seamed with railroads and canals, take high rank among the most productive countries in the world, and be included in the educational tour of the *jeunesse dorée* of Australia.

It is, however, quite impossible within the narrow limits of a Report to render justice to the multitude of subjects of absorbing interest which call for notice in the Dutch East Indies. Such a theme is boundless, and this Report must, therefore, simply be regarded as an illustrated, and rather as a suggestive catalogue of the class of questions now calling for solution in connection with the equatorial possessions of the Netherlands.

Financial bearing of the Dutch Colonial question.

The root of nearly all these questions has been seen to have assumed a monied shape, and they thus intrude their painful presence at every village hearth throughout the length and breadth of Holland. Little else is thought, spoken or written about. Domestic politics turn upon this axis; and the following and concluding Table clearly shows the reason why. "Nineteenth century ideas" have at last prevailed, and been applied to Java and its wide dependencies. Expenditure increases, while receipts are stationary, and enhanced home taxation appears the sole and simple remedy whenever the nest-egg of past prosperity may be exhausted, and until the tree of indirect advantages now being sown shall yield a fruit commensurate with national requirements. Who can say with confidence when this will come to pass; and whether the balance-sheet of any subsequent decade will compare

favourably with the figures here given of the total income and expenditure of the Netherlands East Indies, showing the direct contributions of Java to the expenses of the mother country during the last ten years.

(A.) Interest on debt charged to Netherlands Indies by the laws of 1836.

(B.) Interest on further debt of 10,000,000 florins.

(C.) The surplus called "Batig Slot."

(D.) Subsidy to West Indies.

(E.) Subsidy to Coast of Guinea

(F.) Total of A, B, C, D, and E, representing real net profits on Netherlands Indian transactions.

(G.) Total annual administration expenditure.

(H.) Addition of F and G, representing total monies raised each year in Netherlands India.

	A.	B.	C.	D.	E.	F.	G.	H.
	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.
1859	9,800,000	350,000	22,559,171	554,181	134,994	33,398,346	76,392,203	109,790,549
1860	9,800,000	350,000	23,194,721	800,166	114,030	34,258,917	80,787,056	115,045,973
1861	9,800,000	350,000	8,686,307	929,518	99 476	19,865,301	82,147,369	102,012,670
1862	9,800,000	350,000	28,587,358	890,190		39,627,548	90,590,598	130,218,146
1863	9,800,000	350,000	20,808,794	1,635,625		32,594,421	93,239,816	125,834,237
1864	9,800,000	350,000	11,099,159	1,455,242		22,704,401	96,479,132	119,183,533
1865	..	..	28,275,000	.. ..		..	101,294,281	129,569,281
1866	..	..	32,690,965 *	.. ..		..	103,646,026	136,336,991
1867	..	..	14,856,335	.. ..		..	104,985,514	119,841,849
1868	..	..	10,619,555	.. ..		..	109,830,216	120,449,771

Grand total of direct gain to the mother-country, 268,890,789 florins, equal to 22,407,565*l.*

* By Dutch Indies Budget Law, all contributions became massed under the heading "Contribution towards Covering the Expenses of the Kingdom."

N.B.—The last accounts finally closed are those for 1862. Those that follow are revised year by year, and down to 1866 may be considered as liable to little further rectification. From that date the figures are estimates, more or less approximate.

It but remains to add that the consternation which reflection on this subject breeds in Dutch Assemblies, in Dutch journals, and in Dutch daily life, is akin to the consternation which an honest man might feel, suddenly overtaken by the extravagance of his eldest son in spending rather more than his banker's books quite justify. The remedy such a man would apply, pending a cure of the disease, is immediate retrenchment, and such is the remedy that thrifty Hollanders now advocate, both in and out of the Chambers of their States-General. Whether or no this thrift shows itself wise in its generation in cutting down the estimates for iron-clads and the last inventions in defensive warfare, time, the great adjudicator in human affairs, alone can tell.

In conclusion, I beg leave to state that the views herein expressed are advanced with the less diffidence, as being the result of a very careful and impartial study of every book, pamphlet, public document, newspaper article, and speech, bearing on the Dutch colonial question, of which I have been able to procure perusal. Still it must be known that the Netherlands press prints but little or nothing in support of the culture system, as compared with what it prints in advocacy of a change; and what it does print in support of that system dwells chiefly on the past, and offers to the mind but scanty salient points. Lest, therefore, it should appear that the extracts given are all taken from one side, I must here plead the failure of all my efforts to obtain authentic refutation of the facts and figures which are arrayed against the culture system by those who lead the public mind in Holland on this absorbing topic.

(Signed) T. J. HOVELL THURLOW.

Baden and Wurtemberg.

Report by Mr. Baillie, Her Majesty's Secretary of Legation, on the Cultivation of Tobacco in Baden and Wurtemberg.

Carlsruhe, July 1868.

The project of the Prussian Government for imposing a uniform tax upon the culture of tobacco throughout the Zollverein, has given rise to the publication of a variety of statistical information respecting this branch of agriculture. I propose, on the present occasion, to take advantage of this information, in order to give some account of the cultivation of tobacco in Baden and Wurtemberg, as the subject of my half-yearly Commercial Report.

The tobacco plant has been cultivated in the Grand Duchy of Baden, in those districts which formed part of the old Palatinate, since the end of the seventeenth century. Twenty-five years ago the plantations were still confined to the "Unter Rhein Kreis" (circle of the Lower Rhine), where they yielded—

In 1840. 76,614 centners, in value 580,965 thalers.
1841. 86,836 „ „ 593,784 „

They were afterwards extended to the "Mittel Rhein Kreis," and they are now scattered more or less over the whole country. The principal districts are Schwetzingen, Ladenburg, Heidelberg, Carlsruhe, Bruchsal, and Lahr.

The following is an account of the extent of land under tobacco crop, the average rate of produce per Prussian morgen, the total produce, the average price per centner, total value of produce, and the average value of produce during the period (1855-66) :—

Years.	Area under Crop	Average Produce per Prussian Morgen.	Total Produce.	Average Price per Centner.	Total Value according to Average Ordinary Local Price.	Average Value per Prussian Morgen.
	Prus. morgen.	Centner.	Centner.	Ths. sgr.	Thalers.	Ths. sgr.
1855	25,292	7·72	195,207	9 11	1,788,880	99 21
1856	28,361	8·18	232,002	11 11	2,640,080	131 8
1857	37,631	7·38	278,027	8 12	2,328,586	87 8
1858	32,523	7·47	242,913	6 27	1,677,640	72 22
1859	26,428	6·26	165,524	5 15	912,732	48 21
1860	23,991	7·10	170,338	6 27	1,182,294	69 15
1861	18,749	6·28	117,986	6 16	769,327	57 28
1862	20,644	8·08	166,759	9 [illegible]	1,640,711	112 2
1863	29,509	8·86	261,490	7 8	1,898,170	90 22
1864	31,509	8·18	257,973	6 24	1,758,220	78 21
1865	33,716	8·92	300,282	6 16	1,965,008	82 6
1866	30,276	7·91	243,740	6 20	1,622,309	75 17

It appears from the above Table that the highest number of morgen under crop was in 1857 and 1858. This was, however, the result of an exceptional and purely accidental state of the market. The introduction of the Austrian Tobacco Regie discouraged for a time production in Hungary, and compelled the Austrian Government to purchase their tobacco in Southern Germany, thereby raising the prices and giving a stimulus to cultivation throughout the tobacco-growing districts. As, however, the Hungarian planters were not long in discovering that the Regie would furnish them with a secure market as well as good prices, if they cultivated for it, production soon returned to its former condition, and the Government were again able to supply their wants with home produce. From that moment (1859) the number of morgen under tobacco in Baden fell as rapidly as it had before risen, and remained nearly stationary up to 1863, when another rise took place, though not equal to that in 1857.

The two best qualities of tobacco grown in the Baden Palatinate are what are called the "Gundi Tabak," and the "Dutten Tabak," the former suitable for all kinds of manufacture, the latter furnishing the best covering leaf for cigars. They are exported everywhere—to the Zollverein, Bremen, Hamburgh, and also to America and Spain.

The tobacco grown in the Bavarian Palatinate is the same as that in Baden, and fetches the same prices. No distinction is made between them in trade, both passing under the name "Pfälzer Tabak."

The export trade for this tobacco is concentrated in Mannheim and Heidelberg. From Mannheim alone

100,000 centners are exported annually to foreign countries.

Prices.—The price of tobacco varies from 7 to 12 florins (4 to 7 thalers) per centner. Very superior qualities fetch 14 and 15 to 25 and 30 florins (8 to 14 and 17 thalers).

Apart from quality, the prices depend both upon the results of harvests in other countries and upon the state of trade. These influences produce great fluctuations from year to year in the number of acres under crop. The planter has the same expenses every year. In a bad year, at low prices, he barely covers his outlay; in good years, at high prices, he obtains a more or less considerable profit.

Present State of Tobacco Culture.—The generally prosperous condition of the rural population in Baden, is greatly due to the culture of tobacco. Much sandy soil, formerly fallow, is now planted, and in this way many a commune has attained to prosperity. Village communities realising annually 30,000 to 45,000 thalers from tobacco are not uncommon. This money falls for the most part into the hands of poor peasants who plant small patches of land, either their own property or for which they pay a rent, and obtain in this way a better return for their labour than they could from any other culture.

The cultivation of tobacco is so popular in Baden that in many districts it has led to the total transformation of the former system of husbandry. Meadow lands and fodder crops have become more scarce, as well as cattle; the peasant preferring to pay for everything that he requires out of the sale of his tobacco.

The prices of land and the rents of farms have risen with the extension of tobacco plantations to a degree unknown in other parts of the country. In the best districts, rents are 50 florins (28 thalers) the Baden morgen, equal to 20 thalers the Prussian morgen.

In Wurtemberg, the culture of tobacco has never made much progress, and the fluctuations in the number of morgen annually under crop are much more marked than is the case in Baden; and yet both climate and soil are favourable in many parts, especially in the circle of the Neckar ("Neckar Kreis").

The following is an account of the extent of land under tobacco, amount of produce, and value of such produce during the following years (the Wurtemberg morgen reduced to Prussian morgen—8,101 Wurtemberg morgen equal to 10,000 Prussian morgen):—

Years.	Area under Crop.	Produce.		Prices.		
		Total.	Per Morgen.	Highest.	Middle.	Lowest.
	Prussian Morgen.	Centner.	Centner.	Thalers.	Thalers.	Thalers.
1852 ..	408	3,287	8·0	..	..	..
1853 ..	374	2,872	7·7	..	..	..
1854 ..	406	2,272	5·6	..	..	..
1855 ..	1,033	3,922	3·8	..	..	..
1856 ..	753	6,149	8·2	10⅔	8	5⅔
1857 ..	2,194	18,790	8·6	14⅔	8⅔	4⅔
1858 ..	2,518	17,416	6·9	11⅓	8⅔	6⅔
1859 ..	860	5,681	6·6	9⅔	8	5⅔
1860 ..	486	3,139	6·5	..	..	..
1861 ..	188	1,048	5·6	..	..	..
1862 ..	262	1,349	5·1	..	..	..
1863 ..	673	4,351	6·4	8	6⅔	5⅓
1864 ..	1,116	8,197	7·3	8⅔	6⅔	5⅓
1865 ..	1,198	8,450	7·0	8⅔	6⅔	4⅔
1866 ..	882	6,760	7·6	6⅔	5⅔	4

The highest returns are 20 centners per Prussian morgen; the lowest 3·2 centners. The general average varies between 6 and 7 centners.

The largest extent under crop was in 1857 and 1858. The cause of this sudden rise was, as in Baden, the high prices which tobacco fetched in consequence of the demand from Austria.

When these prices afterwards fell to a point which ceased to be remunerative, especially as planting had been previously only pursued on trial, and the planters were wanting in experience and unprovided with some of the most necessary appliances for preparing the produce, the tobacco crops rapidly diminished.

The new rise in 1863 will probably not be of long duration; and it is not unlikely that a high tax upon production would soon reduce the plantations in Wurtemberg to very narrow limits, and perhaps put an end to them altogether.

The two following Tables will serve to show the general state of tobacco culture in the south as compared with the north.

In the middle of the two years 1863 and 1864, the extent, produce, and values were estimated, according to the official Returns, as follows:—

	Under Crop.	Per cent.	Produce.	Per cent.	Produce per Morgen.	Average Prices.			Money Value, according to Middle Prices.	Per cent.
						Highest.	Middle.	Lowest.		
	Morgen.		Centner.			Thalers.	Thalers.	Thalers.	Thalers.	
(A.) North German Confederation. Population in 1864, 26,467,006 :—										
Prussia	26,994	..	195,015	..	6·87	11·6	6·88	3·76	1,341,703	..
Anhalt	..	..	..	..	..	..	..	..	..	..
Schwarzburg	..	..	..	..	..	..	..	..	..	..
Maisenheim	1,799	..	12,846	..	6·87	..	7·03	..	90,307	..
Hanover	2,287	..	15,634	..	6·91	10	7·29	4	113,972	..
Saxony	112	..	1,336	..	11·03	15	5	2	6,680	..
Brunswick	1·8	..	21·8	..	11·79	8·75	6·04	3·50	1,317	..
Electoral Hesse ..	901	..	11,337	..	12·58	7·04	6·20	4·96	70,300	..
Nassau and Frankfort ..	1·4	..	10	..	7·26	..	11·66	..	1,116	..
Thuringia	748	..	5,517	..	7·37	8·50	5·62	3	31,005	..
Total	32,845	37·18	241,717	35·07	7·36	..	..	..	1,656,450	33·73
(B.) South Germany. Population, 8,859,461 :—										
Bavaria	19,877	..	148,407	..	7·46	11·53	6·62	4·81	982,454	..
Wurtemberg	703	..	6,274	..	8·92	..	6·57	..	41,210	..
Baden	30,467	..	258,011	..	8·46	12·57	7·60	1·99	1,960,883	..
Grand Ducal Hesse ..	4,426	..	34,790	..	7·86	11·14	7·76	3·82	269,970	..
Total	55,473	62·82	447,482	64·93	8·35	..	..	..	3,254,517	66·27
Total (A) and (B) together .	88,318	100	689,199	100	7·80	..	..	..	4,910,967	100

In 1865, the total area under crop was 93,667 morgen; in 1866, the number fell to 86,037 morgen: so that, in round numbers, the total may be taken at 90,000 morgen, producing 690,000 centners.

The average value of the produce in 1863 and 1864 is estimated at 4,910,967 thalers, or 7·12 thalers per centner. In round numbers, 5,000,000 thalers.

In 1858 and 1860, the value of a total of 479,641 centners, at $8\frac{1}{4}$ thalers per centner, was estimated at 4,000,000 thalers.

Of the above 88,318 morgen under tobacco, there falls to the share of—

	Per cent.
North German Confederation	37·18
South Germany	62·82
Prussia	30·56
Baden	34·49
Bavaria	22·56

Of the 689,199 centners produce, there falls to the share of—

	Per cent.
North German Confederation	35·07
South Germany	64·93
Prussia	28·29
Baden	34·49
Bavaria	21·53

Of the 4,910,967 thalers value, there falls to the share of—

	Per cent.
North German Confederation	33·7
South Germany	66·27
Prussia	27·29
Baden	39·92
Bavaria	20·04

The amount and value of production in the South is, therefore, very much greater than it is in the North. In fact, the Grand Duchy of Baden alone grows more tobacco than all the States of the Northern Confederation together.

Profits of Tobacco Planters.—It has been much disputed of late whether the culture of tobacco yields any nett profit at all, that is, whether it affords the planter more than a bare remuneration of labour, such as wages are to the hired workman, just enabling him to live and support his family, and no more; but little dependance can be placed upon estimates formed in times of

agitation against certain measures to serve a particular object. If the tobacco culture did not yield some nett profit, or, at least, such a remuneration of labour as would place the landowner of a given district in better circumstances than any other culture would do, it must have long since been abandoned, whereas it has been considerably extended since 1863. However, it does appear, from the estimates of the best authorities both in the North and in the South, that, after all, the profits of the planter are, on an average, but small; and that the advantage which he enjoys over the day labourer in other agricultural districts, does not consist so much in the amount of his gains as in the independence of his position, the greater security as regards the means of subsistence and the certain opportunity of labour,—advantages of no small moment.

Thus Kratz ("Praktische Methode des Tabakbans, 1864") reckons for the neighbourhood of Erfurt, the expenses and profits of the planter as follows:—

	Thlr.	sgr.	pf.	Thlr.	sgr.	pf.
8 centners best, at 9 thalers ..	72	0	0			
3 centners middling, at 4 thalers .	12	0	0			
1½ centner inferior, at 1½ thalers .	2	7	6			
Total receipts . ..		..		86	7	6
Manure	20	0	0			
Spade labour	8	0	0			
Hoeing, pruning	6	0	0			
For seeds	0	7	6			
Tax, rent, interest of capital ..	20	0	0			
				54	7	6
Net surplus		..		32	0	0

In the Palatinate, according to the best Baden authority, the total expenditure for manure, planting, and hand labour, materials, &c., exclusive of rent and hire of drying houses, amounts, per Baden morgen, in a good year, to 72 florins; receipts, 186 florins, leaving a surplus of 114 florins. Reckoning rent at 40 florins, and hire 10 florins, there remains a surplus of 45 florins, or 26 thalers per Prussian morgen.

The produce consists of ¾ centner sand leaves at 8 florins; and 12 centners good leaves at 15 florins.

The same authority estimates the hand labour at

6·14 of the total outlay, 8·14 manure. These are always the principal items.

In Wurtemberg (Heilbronn district), the cost of production is estimated at 75 florins per Wurtemberg morgen, equal 60 florins per Prussian morgen.

The planters about Mühlacker (the principal tobacco district in Wurtemberg), calculate the total cost of production, including rent, at 57 florins 60 thalers, the gross money value at 57 thalers ; the net receipts, therefore, at 3 thalers per Prussian morgen.

These figures represent, of course, the fair average Returns. In very favourable years, at high market prices, the value of the produce reaches at times to between 200 and 300 florins. The rule among the peasants in the Palatinate, as the result of long experience, is, that whenever tobacco fetches 10, 11, or 12 florins per centner, it may be planted with advantage.

Future prospects of Tobacco culture.—The tobacco plant of all agricultural products grown in Baden requires the most labour, and this labour is divided into more than a dozen different branches all demanding constant care and superintendence. The exact time of maturity must be carefully observed, the leaves preserved uninjured during field labour, at harvest time, and, during a variety of subsequent operations, suitable drying places selected and the ventilation properly regulated, &c.

The culture of tobacco is, therefore, especially adapted to the peasant proprietors, as it gives them the opportunity of profitably employing every member of their families. The greatest part of the labour can be performed by women and children.

Larger proprietors, on the other hand, being entirely dependent on hired labour, which is very dear, can rarely make it pay them to grow tobacco. They must be placed in peculiarly favourable circumstances in order to succeed, and such cases are the exception.

It is, therefore, not very probable, as has been argued by some of the advocates of high taxation, that if the peasants were, in consequence of a heavy tax to abandon tobacco culture, that it would be taken up by large landowners. All experience derived from repeated failures, both in Austria and South Germany, is against the supposition.

As then the cultivation of tobacco can only be pursued by small proprietors, and the few acres of land at their disposal only yield on an average of good and bad years but a small surplus to the great majority of them, such as only remunerates them for their outlay at the rate of higher or lower wages, it is evident that any tax or production would in reality affect not the pecuniary profits; the profits of the "entrepreneur," but the remuneration of labour, that kind of revenue which is the most sensitive, and ought least of all to be burdened.

Under such circumstances, the economical importance of the tobacco culture appears to be rather problematical, and there are actually farmers who hold that its contraction within narrower limits, would be no great misfortune. They argue that it exhausts the soil too much, as the planter possessing but few acres, can seldom sufficiently alternate his crops. That, consequently, great quantities of manure are consumed, and withdrawn from other cultures. That the price of land and the rents of farms are so raised, that other agricultural products cannot be grown; that the culture of corn and artificial grasses, &c., and the production of butchers meat, milk, and butter, are rendered more difficult. Finally, that it is needless to raise tobacco at home when the foreign article is much superior. To these objections it is replied that the culture of tobacco has always led to manures being more carefully collected and preserved, that in South Germany, at least, grain crops are becoming, at any rate, less and less remunerative on such small patches of land as planters can generally devote to tobacco; that abnormal prices sooner or later always return to their proper level, and appear occasionally in connection with every other kind of culture; that when the prices of butchers' meat, milk, and butter, have been exorbitant, the breeding of cattle has immediately increased as far as general circumstances permitted, or trade has intervened, as has been the case to a great extent with butter, and along the railways with butchers' meat and milk.

To the objection, that America supplies enough and better tobacco, and that, on that ground, Germany should cease to grow it, it is replied that in that case, vineyards and beet-root should be abolished, because Italy, France, and Hungary, North America, and the West Indies can

supply wine and sugar enough, and partly of better quality than Germany can.

It is unquestionable that tobacco is in many districts a source of prosperity to the peasant, or at least remunerates him better than anything else; that poor, sandy soil, by good tillage and sufficient manuring, can be made to produce such crops as were never before thought possible; and that any limitation of this industry, or its total disappearance, in consequence of heavy taxation, must necessarily cause great distress among a large part of the population

The statistical Returns furnish, unfortunately, no data either as to the number of peasant families engaged in the tobacco industry, and which derive a larger or smaller part of their subsistence from it, or as regards the division of land among the peasants.

The Prussian Memorandum respecting the taxation of tobacco, states the number of planters, who cultivate an extent under six square "ruthen" in Prussia, free of taxation, at 120,000 landowners ("entrepreneurs"). As on an average, 1,500 to 1,600 morgen are planted free of taxation 2·25 to 2·4 ruthen would fall to a planter. Such an amount cannot, therefore, be taken as the measure of the amount of cultivation subject to taxation either in South Germany or much less in Prussia. Landed properties being less divided in Prussia, the planter must be supposed to hold a larger extent in the north than in the south of Germany. In the neighbourhood of Potsdam a single planter cultivates as much as 15 morgen, but this can be no more assumed as the average in Prussia than the average sized farm of a Prussian planter can be taken as the average of a South German planter.

Professor Mährlen of Stuttgart calculates at the rate of 3 morgen to a planter on a total area of plantation in Prussia of 30,000 morgen, and $1\frac{1}{2}$ morgen on a total of 60,000 morgen in round numbers in South Germany; the result of which would be 50,000 planter families (reckoning five to a family) or 250,000 persons growing tobacco; hired labourers being only taken into account at harvest time.

If this number, or even a smaller number of families had their previous income reduced by taxation, the subsistence of more individuals would be endangered in South Germany than in North Germany,

If, for example, we suppose the half of the inhabitants to be agriculturists, the rural family to consist of five persons and 2 morgen to a family, we should have for every 100 peasant families—

	Population, 1864.	Peasant Families.	Planter Families.
In North German Confederation ..	26,467,000	2,646,700	0·51
South Germany	9,420,016	942,001	1·62
Prussia	19,642,954	2,964,295	0·45
Baden	1,426,218	142,622	10·68

The economical importance of these figures is increased by the fact that the planter families are generally concentrated in particular districts, so that in many communes of ten, the half of the farmers draw their subsistence from tobacco which, as in other districts is the case with wine, is produced on a soil on which every other culture would yield a smaller return.

If the tobacco plantations of the Baden and Bavarian Palatinate, Central Franconia, &c., were cultivated with any other product, the 90,000 morgen would not yield an equally high average gross return of 5,000,000 thalers, and furnish the cultivators with an equally certain means of subsistence.

On these grounds, says Professor Mährlen, the production of tobacco, when the question is about taxation, deserves all consideration and respect, and as to the mode in which the tax is imposed, care should be taken to avoid such results as would probably compel producers either to reduce or suspend a culture on which so many depend for support, and which, in some States, furnishes so considerable a contribution to the income of the people.

(Signed) EVAN P. M. BAILLIE.

Italy.

Report by Mr. Herries, Her Majesty's Secretary of Legation, on the Commerce of Italy in 1866.

Florence, July 30, 1868.

The statistics of the trade of Italy with foreign countries, which have recently been published by the Italian Customs Department for 1866, show a diminution of 3½ per cent. in the general commercial transactions of that year as compared with those of 1865, the aggregate value of the imports and exports having been 1,585,246,751 francs in 1866, and 1,636,982,827 francs in 1865.

This falling-off is attributed by the Customs Department to the following causes:—

1. The monetary crisis at the beginning of the year.
2. The embarrassments occasioned by the forced paper currency.
3. Cholera and quarantines.
4. The war.
5. The failure of the silkworms, and the grape disease.

The value (commercial) of the whole of the importations coming under the head of general commerce, which includes goods re-exported from, or sent in transit through the kingdom, as well as those taken for home consumption, amounted to 917,297,605 francs in 1866, and to 1,023,846,061 francs in 1865, the rate of decrease being 11½ per cent.

A nearly equivalent diminution in the value of the articles imported for home consumption is also apparent, the figures being for 1866, 870,048,517 francs, and for 1865, 965,173,672 francs.

On the other hand there was an increase of 9 per cent., from 613,136,766 francs in 1865 to 667,949,146 francs in 1866. In the aggregate value of the goods of whatever origin exported from Italy (including transit trade), and likewise an augmentation of 10½ per cent. from 558,285,576

francs in 1865, to 617,688,681 francs in 1866, in the value of the exportations of Italian produce and manufactures.

Under the head of general commerce, the value of the imports, 917,297,607 francs, exceeded that of the exports, 667,949,146 francs, by 37 per cent.; while under the head of special commerce, the excess of imports for home consumption over exports of goods of Italian origin, was 41 per cent., the value of the former being 870,048,517 francs, and that of the latter, 617,688,681 francs.

Special Commerce.

A comparison of the Tables for 1866 with those for 1865, shows an increased importation for home consumption of the following articles:—

Cotton, raw; yarn, hosiery, and sundry tissues, and made-up wearing apparel.
Hides and skins, leather, boots and shoes, saddlery, &c.
Timber, furniture woods, wooden utensils, staves, charcoal, &c.
Brandy and other spirits.
Mineral oil.
Effervescing drinks.
Coffee.
Cloves.
Pepper.
Carbonate of potash.
Sulphuric acid.
Resin.
Chicory.
Gunpowder.
Cinnamon.
Sugar.
Lemon juice, &c.
Boracic and other acids.
Alcalies.
Cochineal, indigo, &c.
Horses and cattle.
Jewellery, gold and silver plate, &c.
Marble, rough and worked.
Grindstones, lime, &c,
Coals.
Tobacco.

The principal articles of which the importation diminished in 1866, were:—

Cottons, tissues printed or dyed, velvets, lace, net, various kinds of wearing apparel, &c.
Raw wool, and woollen manufactures.
Horse hair.
Silk, raw and thrown; and silk manufactures.
Corn.
Paper, books, maps, engravings, &c.
Fire-arms.
Hardware.
Mercery.
Machinery.
Clocks and watches.
Toys.
Hats.
Coral.
Elephants' teeth.
Musical and scientific instruments, &c.
Carriages, &c.
Metals, tools, agricultural implements, &c.
Porcelain and earthenware.
Glass.
Hemp, and flax, and linen.
Manufactures.
Cheese.
Meat.
Eggs.
Honey.
Candles, &c.
Preserved fruits, olives, &c.
Cocoa.
Tea.

Sundry chemical products, drugs, &c.
Olive oil, and sundry kinds of vegetable oil.
Wine.
Vinegar.
Beer.
Fish.

An increase took place in the exportation of the following Italian productions :—

Hemp, and flax, and linen manufactures.
Wool and woollen manufactures.
Horse-hair, raw and manufactured.
Silk, raw and thrown ; silk-worms' eggs; and various silk manufactures.
Hides and leather, saddlery, gloves, boots, &c.
Rags.
Hats.
Machinery.
Clocks.
Gun-barrels and fowling-pieces.
Worked coral.
Umbrellas.
Pianofortes, &c.
Wrought iron.
Steel.
Copper.
Tin.
Zinc.
Mercury.
Mechanics' tools, and agricultural implements, &c.
Precious metals, plate, gold leaf, &c.
Marble and alabaster, rough and worked.
Stone and bricks, &c.
Sulphur and bituminous substances.
Pottery and glass.
Wine in casks.
Spirits.
Beer.
Volatile oils.
Gums.
Lemon juice.
Extract of aloes.
Tamarinds.
Liquorice root.
Drugs.
Boracic and gallic acids.
Carbonate of soda, chloride of lime, and other chemical products.
Dye stuffs, and unground colours.
Salt.
Gunpowder.
Fruits, oranges and lemons, grapes, almonds, dried fruits, &c.
Meat.
Cheese.
Eggs.
Candles.
Horses, cattle, sheep, and pigs.

The articles, on the other hand, of which the exportation fell off in 1866, were :—

Wine in bottles
Vinegar.
Mineral waters.
Olive oil, and various mineral and vegetable oils.
Resins, gums, sundry dye stuffs (ground), cocoa, treacle, manna, various chemical products, &c.
Fish.
Raw cotton, cotton yarns and tissues, &c.
Corn, bread, biscuits, potatoes, &c.
Timber, wood for furniture, wooden utensils, &c.
Paper, engravings, maps, &c.
Common hardware and mercery.
Rough coral.
Carriages.
Feathers.
Musical instruments.
Tobacco.

The subjoined Tables show the amount of the imports and exports in each of the classes into which the Italian Tariff is divided :—

Special Commerce.

Imports.

	1865.	1866.
	Francs.	Francs.
Waters, beverages, and oils (including wine and spirits)	38,624,754	37,620,252
Colonial products, &c.	128,349,528	119,362,498
Fruits, &c.	5,667,924	3,258,520
Fatty substances	15,991,361	15,023,288
Fish	13,232,563	12,873,226
Animals	12,532,771	18,410,708
Hides and leather	29,587,237	34,072,378
Hemp and flax, and manufactures thereof	21,696,821	19,620,539
Cotton, ditto	106,572,843	122,393,752
Wool, ditto	84,313,009	78.868,338
Silk, ditto	168,477,975	130,638.991
Cereals	152,192,432	98,125,837
Timber and wood	20,362,923	40,734,341
Paper and books	5,508,239	4,195,909
Mercery, hardware, &c.	44,113,100	30,346,648
Common metals	60,480,174	50,178,249
Gold, and silver, and precious stones	3,939,136	4,055,463
Stone and earth	22,366,757	26,001,402
Pottery and glass	15,505,612	8,558,835
Tobacco	15,658,513	15,709,343
	965.173.672	870,048.517

Exports of Italian Produce.

	1865.	1866.
	Francs.	Francs.
Waters, beverages, oils, &c.	115,111,524	126.324.642
Colonial products, &c.	38,283,432	37,745,451
Fruits, &c.	67,465,134	58,076,227
Fatty substances, &c.	11,557,959	15,946,492
Fish	849,482	723,317
Animals	8,616,100	17,151,900
Hides and leather	4,505,036	6,453,447
Hemp, and flax, and manufactures thereof	26.325,268	32,329,616
Cotton, ditto	9,227,184	8,769,243
Wool, ditto	3.160,438	4,425,630
Silk, ditto	148,900,414	177.340,012
Cereals	43,785,131	37,337,044
Timber and wood	8,945,685	8,319,191
Paper and books	6,881,084	4,353,913
Mercery, hardware, &c.	16,464,317	19,276,408
Common metals	3,613,798	9,624,738
Gold, and silver, and precious stones	2,965,394	5,320,180
Stone earth, &c.	40,762,081	46,798,408
Pottery and glass	709,382	1,368,686
Tobacco	156,733	4,136
	558,285,576	617,688.681

The countries with which Italian commerce was most largely concerned are France, Great Britain, Austria, Switzerland, Turkey, and Russia. These six countries absorbed more than four-fifths of the whole of the foreign trade of Italy.

The largest share in 1866, as in previous years, belonged to France. The aggregate value of the commercial transactions between that country and Italy amounted to 535,330,901 francs, which sum, compared with that given for 1865—534,084,087 francs—shows an increase of $\frac{1}{2}\frac{1}{2}$ per cent.

The value of the goods imported from France was 315,449,008 francs, being 10 per cent. less than the total reached in 1865. The principal articles were—

	Francs.		Francs.
Silkworms' eggs	52,416,000	Machinery	4,074,609
Woollen tissues	30,822,675	Hardware and mercery	3,943,826
Sugar	26,128,183	Spirits	3,316,069
Silk, raw, thrown, or twisted	23,722,650	Cereals	2,736,841
Silk tissues	17,424,558	Timber	2,673,279
Raw cotton	4,855,724	Dye stuffs	2,601,869
Cotton yarn	4,979,161	Copper and brass	2,556,316
Cotton tissues	20,164,561	Paper and books	2,361,189
Iron	11,535,258	Wheat	1,937,796
Oils	8,774,791	Gold and silver	1,928,439
Coffee	7,256,454	Fish	1,906,004
Horses and mules	6,735,895	Drugs	1,533,209
Hides	6,194,168	Articles made of leather	1,636,801
Leather	5,126,970	Coals	1,544,379
Linen yarn	2,221,278	Soap, wax, &c.	1,446,332
Linen tissues	5,421,513	Bottles	1,421,937
Fermented liquors	5,185,440	Plate and cut glass	1,393,159
Chemical products	4,447,467	Tobacco	1,042,199
Wool	4,194,764		

There was an increase of 17 per cent. in the exportation of Italian produce to France. Its value in 1866 was 219,881,893 francs, of which the following were the most important items.

	Francs.		Francs.
Silk, raw and thrown	72,114,610	Coral	4,802,560
,, waste	5,886,852	Cotton, raw	4,708,693
,, tissues	1,271,360	Dye stuffs	4,290,860
Silkworms' eggs	2,033,200	Hemp and flax	3,026,284
Oil of all kinds	39,979,665	Lead	2,910,088
Sulphur	9,165,668	Leather	2,829,655
Seeds	8,144,234	Wheat	2,419,871
Cattle	9,968,254	Wool	1,738,482
Rice	6,592,720	Chemical products	1,487,474
Fruits	6,132,129	Fermented liquors	1,127,772
Gold and silver	5,116,108	Marble	1,061,913

It is to be observed that many articles which appear in the Tables of exports to and imports from France, in reality only traversed that country on their way to or

from other countries, and in particular England and the Zollverein.

The same remark is also applicable to the Returns of trade with Switzerland.

An augmentation of 5 per cent. in the commerce of Italy with Great Britain took place in 1866. Its total value in that year was 282,989,178 francs, against 269,593,737 francs in 1865.

The importation of British goods amounted to the value of 190,115,940 francs, with an increase of 3½ per cent.

They consisted principally of the under-mentioned articles:—

	Francs.		Francs.
Cotton, raw	12,594,130	Bronze	2,963,820
,, yarn	32,435,549	Wheat	2,687,374
,, tissues	23,777,907	Chemical products ..	2,308,109
Coals	17,848,066	Tobacco	4,228,563
Iron	16,276,774	Seeds	2,281,200
Woollens	13,555,268	Oil of all kinds . ..	2,126,042
Fish	6,290,004	Horses and mules ..	1,840,175
Sugar	5,716,990	Spirits	1,385,632
Hides	5,418,864	Silk tissues	1,382,693
Dye stuffs	4,258,755	Starch, wax, soap, &c. ..	1,296,946
Linen yarn	3,882,831	Tin	889,847
,, tissues	2,735,333	Drugs	886,839
Copper and brass ..	3,361,539	Hardware and mercery ..	791,795
Coffee	3,888,464	Grain	776,026
Machinery	3,031,655	Sulphur	764,527

An increase of 8 per cent. is to be noted in the exports to Great Britain, the value of which rose in 1866 to 92,873,238 francs.

They comprised chiefly—

	Francs.		Francs.
Oils	29,770,776	Copper and brass ..	1,176,756
Sulphur	15,566,389	Marble and alabaster, worked	1,029,345
Dye stuffs	10,285,955	Cheese	968,299
Fruits	7,675,610	Lead	758,200
Chemical products ..	3,954,020	Rags	623,566
Fermented liquors ..	3,493,820	Coral	565,040
Seeds	3,102,312	Charcoal	529,850
Silk, raw and thrown ..	2,482,900	Marble, rough	472,135
,, waste	300,780	Raw cotton	451,138
,, tissues	536,920	Cereals	424,343
Hemp and flax	1,261,138	Rice	297,704

The effect of the interruption of commercial intercourse between Italy and Austria during several months of the year 1866, was a diminution to the extent of 29 per cent. in the amount of their dealings, which were represented by the sum of 154,774,515 francs in 1866, and by that of 199,635,633 francs in 1865.

The falling-off in the value of importations from Austria—94,381,373 francs—was 28 per cent.

The principal articles were :—

	Francs.		Francs.
Timber	26,932,716	Sugar	1,577,580
Silk, raw and thrown ..	10,964,370	Fish	1,426,216
,, waste	992,148	Wax, soap, &c. . ..	1,359,391
Wheat	6,198,172	Coffee	1,167,024
Wool	977,410	Linens	928,078
Woollen tissues . ..	4,907,543	Coals	926,241
Cotton tissues . ..	4,613,913	Cereals	903,847
Yarns	1,526,814	Gold and silver . ..	808,271
Fermented liquors ..	2,531,912	Plate and cut glass ..	875,812
Iron	2,433,004	Leather	728,385
Cattle	3,187,981	Chemical products ..	669,547
Silk cocoons	1,841,046		

The decrease in the exports from Italy to Austria was somewhat greater, being 29 per cent. The figures for 1866 were 60,393,142 francs. The most considerable articles of exportation were :—

	Francs.		Francs.
Oils	16,499,498	Other cereals	547,823
Hemp and flax . ..	13,919,994	Drugs	798,314
Fruits	9,332,164	Cattle	688,000
Cheese	2,579,385	Wool	661,296
Fermented liquors ..	1,770,646	Silk, raw and thrown ..	590,880
Raw cotton	1,605,972	Cordage	518,235
Rice	1,644,982	Paper and books ..	336,093
Linen tissues	1,196,890	Dye stuffs	267,795
,, yarn	796,761	Leather	263,409
Sulphur	1,106,884	Furniture	216,939
Wheat	808,132	Iron	209,972

The value of the commercial movement between Italy and Switzerland in 1866 is represented by the sum of 156,597,822 francs—an excess of 12 per cent. over the Return for 1865.

In imports from Switzerland, however, there was a deficiency of 8 per cent.

Their total value was 59,243,271 francs, and they consisted principally of the following articles :—

	Francs.		Francs.
Cotton tissues	8,721,519	Hardware and mercery ..	882,959
,, yarns	2,237,876	Linen yarn	672,909
Silk, raw and thrown ..	7,607,600	,, tissues	787,605
,, tissues	1,142,236	Chemical products ..	670,847
,, waste	912,432	Watches	622,873
Silkworms' eggs ..	920,000	Hats	613,474
Wool	1,038,116	Paper and books ..	542,904
Woollen tissues . ..	6,357,257	Horses and mules ..	505,840
Timber	5,994,330	Charcoal	472,241
Cattle	2,730,882	Machinery	474,289
Dye stuffs	1,446,668	Iron	379,466
Leather	1,296,614	Soap, wax, &c. . ..	300,085

The value of Italian exports to Switzerland was

97,354,551 francs—28 per cent. in advance of the amount returned for 1865.

The chief articles exported were :—

	Francs.		Francs.
Silk, raw and thrown ..	73,286,270	Cereals, various . ..	1,877,366
,, waste	13 258,644	Silk cocoons	644,850
,, tissues	296,120	Cattle	784,697
Silkworms' eggs ..	238,200	Coral	314,880
Cotton	1,201,684	Fruits	260,059
Rice	832,846	Cheese	221,455
Fermented liquors ..	776,743	Spirits	128,534
Wheat	729,041	Woollen tissues . ..	119,929

Under the head of Turkey, the following results appear :—

Total commerce—56,159,524 francs in 1866, being a falling off of 35 per cent. from 75,641,868 francs, the amount in the previous year.

The imports from Turkey amounted to 39,892,049 francs, or 55 per cent. less than in 1865.

Those of most importance were :—

	Francs.		Francs.
Wheat	33,001,091	Various cereals . ..	1,464,766
Wool	1,589,762	Tobacco	172,146
Cotton	1,333,799	Wax, soap, &c. . ..	156.583
Drugs	282,568	Dye stuffs	113,729
Seeds	258,551	Fruits	128,743
Hides	188,247		

The exports from Italy to Turkey, to the value of 16,267,475 francs, exceeded those of 1865 by 18 per cent.

The most considerable among them were :—

	Francs.		Francs.
Rice	7,617,185	Rags	323,014
Oils of all kinds ..	1,717,434	Hats	258,232
Fruits	1,369,598	Fermented liquors ..	201,665
Chemical products ..	1,248,412	Furniture	193,242
Calves, goats, &c. ..	566,494	Leather	110,155
Silk tissues	474,720	Paste	102,230
Coral	449,760	Sulphur	101,767
Hemp and flax . ..	371,153		

The commercial movement between Italy and Russia in 1866 is represented by a total sum of 49,512,003 francs—a decrease of 11 per cent. as compared with that of 1865. Of this amount, 34,513,211 francs belong to imports, and 14,998,792 francs to exports. In the former there was a decrease of 19 per cent., and in the latter an increase of 7 per cent.

Italy took from Russia—

	Francs.		Francs.
Wheat	31,758,455	Timber	135,049
Oats	1,031,665	Grain	114,987
Hides	906,910	Wool	110,365
Tobacco	299,457	Fish	86,866

And exported to that country :—

	Francs.		Francs.
Oils	9,751,646	Chemical products ..	546,113
Fruits	1,781,710	Furniture	132,809
Rice	1,696,549	Works in marble ..	26,944
Sulphur	838,350		

Countries.	Value of Imports for Home Consumption.		Value of Exports of Italian Produce, or of Articles so considered.	
	1865.	1866.	1865.	1866.
	Francs.	Francs.	Francs.	Francs.
Algeria	3,091,013	1,817,307	756,805	1,002,372
Austria, including Venetia	121,327,052	94,381,373	78,508,581	60,393,142
Belgium	6,319,066	8,682,339	1,296,934	3,199,912
Brazil	2,653,133	1,713,624	671,149	1,606,196
Hanse Towns	4,178,601	1,081,613	2,847,156	5,138,055
Egypt	11,245,787	633,934	4,419,488	2,827,186
France	345,976,406	315,449,008	188,107,681	219,881,893
Greece	21,451,358	12,336,475	4,941,458	4,788,413
East Indies and other countries in Asia ..	241,265	115,451	142,499	197,446
Great Britain	183,916,302	190,115,940	85,677,435	92,873,338
West Indies and Central America	9,136,641	10,049,992	3,497,344	3,636,534
Morocco	..	12,089	..	..
Mexico and other parts of North America ..	37,981	198	518,666	9,467
Holland	23,014,703	26,870,584	12,190,278	11,909,315
Portugal	2,513,179	1,776,458	1,329,853	2,727,278
South American States ..	10,310,444	10,051,098	37,418,125	18,110,507
Roman Provinces ..	9,241,705	10,260,412	7,716,171	12,698,762
Russia	40,962,550	34,513,211	14,076,373	14,998,792
Spain	3,940,350	3,548,060	6,058,877	8,987,585
United States of America .	7,962,995	17,759,268	3,175,824	24,704,920
Sweden, Norway, and Denmark	2,805,762	2,511,223	4,696,745	3,254,086
Switzerland	64,038,802	59,243,271	76,206,221	97,354,551
Tunis and Tripoli .	7,650,909	7,534,889	3,262,077	3,365,078
Turkey	61,817,407	39,892,049	13,824,461	16,267,475
Zollverein	1,976,967	4,414,461	2,077,177	1,181,699
Other countries ..	19,073,296	15,284,179	5,068,198	6,574,779
	965,173,672	870,048,517	558,285,576	617,688,681

The transit trade, which had been falling off for some years, continued to decrease in 1866. The value of the goods passing through Italy in that year amounted to 50,260,465 francs, against 54,851,190 francs in 1865.

The countries from which they chiefly came were, in the order of their importance—France, Switzerland, Great Britain, Austria, Tunis, and Tripoli, and the South American

Republics. They were sent principally to Switzerland, Austria, the South American Republics, Rome, France, Spain, and Turkey.

With regard to means of transport, it appears that 30½ per cent. of the goods imported and exported were conveyed by land, 29½ per cent. were carried by sea under the Italian flag, and 40 per cent. under foreign flags.

The statements given above do not apply to the Venetian and Mantuan Provinces, the trade of which during the last two months of 1866 is shown separately. It amounted, under the head of Imports, to the balance of 23,593,129 francs, and under the head of Exports, to the value of 18,930,902 francs.

The following figures show the amount of Customs duties received in the Kingdom of Italy (not including the Venetian and Mantuan Provinces) during the year 1866 :—

	Francs.
Import duties	49,933,652
Export duties	5,505,062
Re-exportation by sea	39,979
Miscellaneous duties	11,275,464
Total	66,754,157

In 1865, the total receipts were 62,798,962 francs.

(Signed) EDWARD HERRIES.

Belgium.

Report by Mr. Wyndham, Second Secretary of Legation, on the Commerce and Trade of Belgium.

Brussels, August 18, 1868.

In the following Report I propose to give a short account of the commerce of Belgium with other countries, and more especially with England, in the principal articles of trade, during the first five months of this year as compared with the same period in the years 1867 and 1866 respectively.

It is only since the month of January 1867 that enough steel and steel bars, &c., have been classed separately; in the first article there is a considerable increase in the imports this year from England as compared with 1867; while the imports in steel bars have experienced a reduction.

There is also a considerable reduction in worked steel ("acier ouvré") as will be seen by the annexed Table:—

	First 5 Months of		
	1868.	1867.	1866.
Imported from England—	Kilos.	Kilos.	Kilos.
Melted and rough steel ..	54,492	2,072	..
Steel bars	558,040	658,275	..
Worked steel	112,613	228,565	90,751

The Zollverein is, next to England, the largest importer of these articles; but instead of there being a diminution in the amounts imported there is a steady increase.

The Zollverein and France are the largest importers of arms, England having in the first five months of 1868 only imported 57,754 francs worth (2,311*l.*), whereas the Zollverein imported to the value of 391,723 francs (15,668*l.*), and France to the value of 424,130 francs (16,965*l.*).

Raw copper and nickel come chiefly from England,

and the imports denote a steady increase as the annexed Table will show —

	Kilos.
First 5 months of 1868	1,468,330
„ 1867	967,022
„ 1866	670,799

The trade in iron of all sorts shows an increase in 1867 over 1866 ; but a decrease in the imports (from England) during the first five months of 1868 of 6,000,000 kilogrammes.

Iron and iron goods :—

From various countries, England included—	Kilos.
First 5 months of 1868	17,864,836
„ 1867	23,689,872
„ 1866	9,957,211

Of these quantities England alone imported as follows :—

	Kilos.
First 5 months of 1868	14,712,794
„ 1867	20,607,763
„ 1866	8,990,718

I observe that England now imports no rails, which come from Holland chiefly ; our iron trade with Belgium consisting almost entirely in rough and old iron (" fonte brute et vieux fers ").

Nails come almost exclusively from France.

The imports in iron ores and filings during the first five months of 1868 amounted to 133,559,560 kilogrammes, being a less quantity than that imported during the same period in 1866, but in excess of that imported in 1867. The Zollverein and France are the chief contributors of these articles of trade.

The importation of machinery from England has experienced a diminution, it amounted in—

	Kilos.
First 5 months of 1868 to	907,889
„ 1867 to	1,397,230
„ 1866 to	1,869,908

Belgium takes hardware almost exclusively from France ; England supplying less than the Zollverein.

The largest quantity of coal imported into Belgium comes from England ; next to England, France furnishes the most, then Holland and the Zollverein, the greater portion of the coal, however, coming from Holland is derived originally from the Zollverein. The following

Table shows the amount of coal imported into Belgium during the first five months of—

	1868.	1867.	1866.
	Tons.	Tons.	Tons.
From England	43,873	51,402	9,558
France	33,280	29,288	30,317
Holland	27,515	34,232	604
Zollverein . ..	11,284	56,157	417

The amount of coke imported is very small.

England imports no cattle, and but a very small quantity of butter.

The importation of wine into Belgium has decreased; while there is an increase in the imports in beer, especially from the Zollverein. Large quantities of beer are consumed by the labouring classes in Belgium, much of which is brewed in the country.

Coffee is another article which is very largely consumed, by far the largest quantity being imported from Holland, Haiti, Venezuela, Brazil, and England. The annexed Table shows the amount in kilogrammes imported into Belgium :—

	First 5 Months of		
	1868.	1867.	1866.
	Kilos.	Kilos.	Kilos.
From Holland	3,078,187	2,963,751	2,461,287
Hayti and Venezuela ..	2,259,278	2,213,280	2,656,757
Brazil	2,332,118	1,937,777	1,681,323
England	1,008,425	850,274	516,246

The imports from England (British Possessions and Colonies), it will be seen, show a steady increase.

Rice, Belgium receives in large quantities through England and from the British Indies direct. The following Table shows how our trade in this branch is increasing : —

	First 5 Months of		
	1868.	1867.	1866.
	Kilos.	Kilos.	Kilos.
From England	5,742,451	263,546	2,390,111
British Indies	2,573,048	4,862,088	2,442,554
Total	8,315,499	5,125,634	4,832,665

Rough salt Belgium receives chiefly from England and France, in equal proportions, the amount from each country being on an average about 8,000,000 or 9,000,000 kilogrammes per annum. Refined salt comes almost entirely from France.

The consumption of tobacco in Belgium appears to be on the increase. Of leaf and rolled tobacco the imports amounted to in :—

	First 5 Months of		
	1868.	1867.	1866.
	Kilos.	Kilos.	Kilos.
Leaf, &c., to	3,016,615	2,772,099	2,427,583
Cigars, to	18,240	11,377	14,191

The cotton trade appears to be reviving, there being a marked increase in the imports from England during the first five months of the present year as compared with 1867 and 1866. During the first five months the cotton imported from England amounted to 6,242,914 kilogrammes, exceeding by 1,000,000 kilogrammes the quantity imported either in 1867 or 1866.

The United States of America send but a very small quantity direct to the ports of Belgium, and the imports in this article from the Zollverein and elsewhere are inconsiderable.

The imports of cotton goods from England exceed in amount that from other countries, as shown by annexed Table :—

	First 5 Months of		
	1868.	1867.	1866.
	Kilos.	Kilos.	Kilos.
From England	239,126	275,838	228,571
France	135,465	87,755	118,556
Zollverein	59,291	46,280	46,342
Switzerland	58,204	60,601	84,543
Elsewhere	5,989	7,522	1,252
Total	498,075	477,996	479,264

While woollen goods come chiefly from France. In the first five months of 1868 she imported 3,805,223 francs

worth (152,208*l.*) to 1,872,848 francs worth (74,913*l.*) imported from England.

England imports but a small quantity of tow and flax compared with other countries. Tow comes chiefly from Holland and France; flax from France; cotton threads from England; woollen threads from France; while England sends the largest amount of flax, hemp, and jute threads.

There is a considerable decrease in oleaginous grains imported from England, the amounts being in—

	Kilos.
First 5 months of 1868	1,439,751
„ 1867	2,876,981
„ 1866	2,619,512

The importation from Russia of these grains has also greatly decreased, being in first five months of 1868 but little more than one-half of what she imported during the first five months of 1867 and 1866, while the imports from the Zollverein are on the increase.

The amount of wheat, spelt, and maslin imported into Belgium from various countries is as follows:—

	Kilos.
First 5 months of 1868	82,724,176
„ 1867	55,803,701
„ 1866	27,873,822

In 1866 (first five months) England only imported 45 kilogrammes of wheat, &c., while in 1868 (first five months) she imported 2,066,130 kilogrammes. The most remarkable difference is, however, in this branch of trade with the Zollverein, which may probably be attributed to the unsettled state of Germany in 1866, as during the first five months of that year only 3,057,522 kilogrammes of wheat came from the Zollverein, while during the same period, in 1867 and 1868, 26,161,769 and 33,800,161 kilogrammes respectively were derived from thence.

The trade in wheat between Turkey and Belgium is also rapidly developing itself. In 1866 (first five months) Turkey sent 21,411 kilogrammes of wheat, and in the first five months of 1868 she furnished 11,141,200 kilogrammes.

England sends but a very small quantity of barley to Belgium; France, Russia, and Turkey contributing the largest quantities of this grain.

In the importation of wearing apparel England is far behind France, France having imported in the first five months of the years to which this Report is confined wearing apparel to the total value of 3,470,927 francs (138,837*l.*), whereas England only furnished to the value of 476,788 francs (19,071*l.*).

The trade in rags is on the increase. The total amount imported is as follows:—

From various countries—		Kilos.
First 5 months of 1868	.. ..	1,517,777
„ 1867	.. ..	1,144,689
„ 1866	.. ..	517,585

France sends the largest quantity.

Our trade in resins and bituminous matters (not including petroleum, which is imported chiefly from the United States of North America), has undergone a considerable diminution. It amounted as follows:—

From England—		Kilos.
First 5 months of 1868	.. ..	3,004,914
„ 1867	.. ..	7,291,892
„ 1866	.. ..	13,919,564

The following statement of the total amount of Customs dues collected upon imports of all sorts denotes the flourishing state of trade in this country.

Customs Dues collected.

	Francs.	£
First 5 months of 1868	.. 7,417,384	= 296,695
„ 1867	.. 6,539,205	= 261,568
„ 1866	.. 6,421,831	= 256,873

Exports.

Belgium exports a very large quantity of arms, and her trade in these articles is increasing rapidly. The greater portion are sent to France, and the increase this year, as compared with the exports of other years, is remarkable.*

To France—	Francs.	£
First 5 months of 1868	.. 2,995,996	= 119,839
„ 1867	.. 1,689,130	= 67,565
„ 1866	.. 1,530,253	= 61,210

* Belgian manufacturers have undertaken a large contract for Chassepot rifles.

The amount sent to England and other countries is small in comparison. The total value of arms exported from Belgium was as follows:—

To France and various countries—	Francs.	£
First 5 months of 1868 ..	5,005,266 =	200,210
„ 1867 ..	3,997,304 =	159,892
„ 1866 ..	4,950,752 =	198,030

France and Russia take a very large quantity of minerals and iron from Belgium. The export trade in iron-rails to Russia has lately assumed large dimensions.

Raw copper is mostly sent to France; raw zinc is very largely exported to France, England, and the Netherlands. The total amount in kilogrammes was as follows:—

To various countries—	Kilos.
First 5 months of 1868	13,133,373
„ 1867	11,554,607
„ 1866	11,856,783

While our import trade of machinery into Belgium is decreasing, the export trade from Belgium to England is on the increase; it amounted as follows:—

To England—	Kilos.
First 5 months of 1868	279,071
„ 1867	14,905
„ 1866	111,231

Twenty-two thousand eight hundred and nineteen head of cattle have been exported during the first five months of this year, being a large increase on the exports during the same periods in 1867 and 1866; the largest number was sent to France, viz., 19,971 head. The sheep trade is also increasing.

Butter forms a large staple of the trade with England; the amount exported in the first five months of the present year to England was upwards of 2,000,000 kilogrammes. Rabbits, poultry, and game are sent almost exclusively to England.

A considerable trade exists between Belgium and the Argentine Provinces, hence a great export trade of raw hides from Belgium, chiefly to the Zollverein; and with a view of further increasing the trade with South America, a line of steamers has been established this summer to run between Antwerp (calling at Ostend for mails and passengers) and Buenos Ayres.

The Belgian Minister at Rio has also been accredited to the Republics on the River Plate.

The trade in native wool, which is carried on chiefly with the Zollverein, Holland, England, France, is on the increase; the exports are as follows:—

To various countries—	Kilos.
First 5 months of 1868	210,412
„ 1867	90,724
„ 1866	126,497

Much foreign wool passes in transit through Belgium, chiefly to the Zollverein and France (coming principally from La Plata.

Common paper is exported to a considerable extent, amounting, in the several periods to which this Report is confined, to a total of about 4,000,000 kilogrammes, England taking more than one-half of that quantity.

The export of wearing-apparel is, on an average, about 1,000,000 francs worth during each of the periods which this Report embraces, one-half of which is sent to France.

The following Tables show, first, the trade in raw flax; and secondly, that in tissues of flax, hemp, and jute ("toiles unies et croisées"):—

	First 5 Months of		
	1868.	1867.	1866.
To various countries—	Kilos.	Kilos.	Kilos.
1. Raw flax	11,129,891	11,199,962	9,184,345
2. Tissues of flax, &c. ..	1,344,141	1,323,362	.. *

Much of these stuffs were made up with foreign fibre.

3. Tissues of flax—tulles, laces, and blondes:—

To various countries—	Francs.	£
First 5 months of 1868 ..	148,562	= 5,942
„ 1867 ..	155,189	= 6,207
„ 1866 ..	228,740	= 9,149

Resinous matters and bitumens are exported largely to the Zollverein, Holland, and France; the trade in petroleum especially is on the increase.

The amount of raw sugar exported shows a diminution in 1868 compared with 1867 and 1866:—

To various countries—	Kilos.
First 5 months of 1868	9,502,304
„ 1867	10,860,326
„ 1866	12,095,147

* Not classed separately.

France taking each year about 6,000,000 kilogrammes; England, in 1867 and in 1866, taking upwards of 4,000,000 kilogrammes, but in 1868, taking only 2,000,000 kilogrammes.

Refined sugar is sent chiefly to England, France, and Italy.

Glass is largely manufactured in Belgium. Mirrors are sent chiefly to England and Holland, and window-panes are largely exported to England, 4,527,821 kilogrammes having been sent there from Belgium during the first five months of 1868, out of a total of 10,491,561 kilogrammes exported to all countries.

From the official Report comparing the commercial movement in Belgium in its principal branches, it appears that there is an increase of 17 per cent. in the value of imports during the first five months of 1868, as compared with the value of imports during the same period in 1867, and an increase of 10 per cent. in the value of the exports.

The increase and decrease in imports is in the following articles, and to the following amounts:—

First 5 months of 1868, compared with first 5 months of 1867:—

IMPORTS.

	Francs.
Increase.	
Sheep	5,517,540
Wood for building: sawn, &c.	814,560
Coffee	1,247,097
Cotton	2,491,199
Raw copper and nickel	1,302,216
Iron, minerals and filings	817,099
Wheat	8,076,142
Barley	2,365,716
Resins: petroleum, raw and refined	1,317,954
„ others	1,585,832
Wools	22,767,102
Potatoes	1,457,942
Decrease.	
Coal	882,184
Flax	1,064,935
Cotton threads	1,189,685
Oleaginous grains	2,005,965
Raw sugar	1,046,934

The following statement gives the same with regard to exports:—

EXPORTS.

Increase.

Arms	1,007,962
Sheep	3,979,000
Candles	865,735
Coal	1,124,626
Raw copper and nickel	1,293,545
Iron, beat ("battu"), and other	910,153
Woollen threads	2,726,736
Flax threads	4,322,167
Grease	1,719,889
Oils	1,220,416
Machinery	1,638,810
Rough stone	1,099,801
Resins, bitumen: petroleum refined	1,431,435
Raw zinc	947,260

Decrease.

Horses and foals	1,627,500
Iron ("battu, étiré et laminé") rails	2,450,081
Barley	1,278,061
Hops	789,487
Raw hides	2,419,126
Tissues of cotton ("unis," &c.)	2,648,660
Glass: window panes	919,916

The foreign import and export trade of Belgium represented, before 1830, an annual average of 300,000,000 francs (12,000,000*l.*) Up to 1840 it fluctuated between an average of 300,000,000 and 400,000,000 francs; but between 1840 and 1850 it increased to an average of about 900,000,000 francs (36,000,000*l.*); and between 1850 and 1860, to 1,700,000,000 francs; and it is estimated in a Report presented last month to the King by the Minister for Foreign Affairs, and from which I have extracted the above figures, that for the period between 1860 and 1870, it will reach an annual average of 3,000,000,000 francs (120,000,000*l.* sterling). The Minister, however, remarks in his Report, that the direct trade between Belgium and countries out of Europe, is tardy in its development; that the Belgian, though apt at manufacture, is slow in finding new markets, and proposes as a remedy for this, or as a stimulus to foreign trade, the appointment of more paid Consuls in certain countries. The Belgian Government has, in consequence, appointed a Consul in the Danubian Principalities, under the orders of the Belgian Legation at

Constantinople, a Consul-General at Odessa, and a Consul-General at Tauris; and a gentleman well versed in commercial matters has been attached to the Belgian Legation at Washington, who is to have no fixed residence, but is to move about the United States, in order to report where there may be an opening for Belgian trade.

Belgium has no trade at all with California, and but little with China and Japan, whereas Holland and Switzerland, both small States, are actively fostering their commerce with those distant regions.

(Signed) HUGH WYNDHAM.

Russia.

Report by Mr. Rumbold, Her Majesty's Secretary of Embassy, on the Import and Export Trade of Russia.

Mr. Rumbold to Sir A. Buchanan.

Sir, *St. Petersburgh, September* 8, 1868.

The Imperial Department of Customs have just issued the "Tableau du Commerce Extérieur de la Russie avec les Pays d'Europe, en 1867." I have just extracted the following from an abridged account of this publication contained in the "Journal de St. Pétersbourg" of the 23rd August / 4th September.

It appears that the entire value of the exports and imports of the Empire, to and from European countries (including Finland), amounted in 1867 to 457,000,385 roubles, showing an increase of 75,377,706 roubles on 1866.

In this sum the exports amounted to 220,154,666 roubles (an increase of 19,105,195 roubles on the preceding year), and the imports to 236,845,719 roubles (an increase of 56,272,511 roubles on the preceding year).

Precious metals in coin and in ingots were exported in much smaller quantities than last year. The exports of this article amounted to 12,130,714 roubles, showing a falling-off of 13,696,039 roubles. On the other hand, the imports of precious metals reached the figure of 33,228,647 roubles, or 30,856,055 roubles more than in 1866.

The following Table gives the figures of Russian exports and imports for the last ten years :—

	Exports.	Imports.
	Roubles.	Roubles.
1857 . ..	157,700,000	132,300,000
1858 . ..	139,300,000	128,800,000
1859 . ..	152,700,000	137,900,000
1860 . ..	168,000,000	138,200,000
1861 . ..	163,000,000	145,000,000
1862 . ..	167,100,000	128,000,000
1863 . ..	140,800,000	130,700,000
1864 . ..	171,200,000	147,700,000
1865 . ..	191,300,000	141,000,000
1866 . ..	201,000,000	180,600,000
1867 . ..	220,150,000	236,850,000

The exports and imports in precious metals, for the same period were as follows, showing remarkable fluctuations :—

	Exports.	Imports.
	Roubles.	Roubles.
1857 . ..	18,000,000	8,600,000
1858 . ..	26,000,000	6,400,000
1859 . ..	23,800,000	2,800,000
1860 . ..	6,500,000	7,000,000
1861 ..	11,800,000	7,000,000
1862 . ..	32,200,000	4,800,000
1863 . ..	59,900,000	5,000,000
1864 . ..	21,900,000	5,000,000
1865 . ..	18,900,000	3,000,000
1866 . ..	25,800,000	2,400,000
1867 . ..	12,100,000	33,200,000

The following were the principal articles exported and imported in 1867 :—

Exports.

	Roubles.		Roubles.
Cereals	93,978,052	Potash	1,258,736
Flax	19,827,868	Ropes and cables ..	934,671
Flax-seed (linseed) ..	18,360,342	Furs	732,331
Raw wool	9,613,615	Cloth	363,233
Tallow	11,826,288	Hops	728,929
Wood, various kinds ..	10,650,753	Hemp and flax oils ..	1,505,123
Hemp	8,674,182	Resin	531,870
Pig bristles	3,033,729	Linen	246,691
Cattle	3,938,251	Articles in silver and gold .	114,166
Flax tow	1,331,577	Oleaginous seeds . ..	1,093,323
Leather	1,948,331	Caviar	580,757
Unwrought metals ..	1,421,633	Horses	354,160
Spun hemp	1,543,332	Bones	446,178
Precious stones	173,425	Rags	353,121
Butter	1,080,147		

IMPORTS.

	Roubles.		Roubles.
Raw cotton	38,039,858	Mineral oil for lighting	2,209,976
Metal wares	14,709,268	Medical drugs	1,612,566
Machinery	15,022,671	Rice	1,251,659
Tea	14,345,575	Furs	2,178,897
Unwrought metals	21,520,081	Glass and crystals	1,118,667
Colours	11,030,861	Clocks and watches	1,302,017
Loaf and other sugar	2,908,245	Wood (various kinds)	519,505
Oils	7,218,113	Retail wares	1,010,366
Drinks	7,986,475	Agricultural implements	1,426,355
Wool	8,542,695	Vegetables and other provisions	759,759
Fruit	5,249,634	Carpenters' and coopers' work (barrels)	671,272
Woollen goods	6,195,822	Lime and cement	541,485
Coffee	4,479,128	Cheese	640,198
Spun cotton	4,742,946	Pepper	615,361
Fish	4,207,128	Animals	622,343
Silk goods	5,012,567	Gums (excepting india-rubber and gutta percha)	857,853
Tobacco	3,743,792	Ladies' dresses, linen, head-dresses, and other made-articles	575,571
Silk	5,107,564	Tulle and lace	525,517
Cotton goods	3,957,560		
Linen tissues	3,533,980		
Chemical products	2,687,097		
Plants and seeds	2,778,244		
Coal	2,450,050		
Salt	2,284,603		

Amongst the articles exported the principal increase observable is in—

	Roubles.		Roubles.
Cereals	20,000,000	Hemp and flax oils	800,000
Linseed	2,000,000	Oleaginous seeds	400,000
Cattle	1,000,000		

The chief increase in imports arose in—

	Roubles.		Roubles.
Raw wool	2,500,000	Silk goods	1,700,000
Metal wares	4,000,000	Silk	2,400,000
Machinery	4,600,000	Cotton goods	1,200,000
Tea	5,300,000	Linen tissues	1,000,000
Unwrought metals	12,700,000	Coal	500,000
Colours	2,500,000	Salt	700,000
Drinks	1,000,000	Mineral oils for lighting	800,000
Wool	3,000,000	Furs	2,100,000
Woollen goods	2,000,000	Glass	300,000
Spun cotton	1,000,000	Clocks and watches	500,000
Fish	1,000,000	Agricultural implements	800,000

On the other hand, the following figures show the decrease in exports :—

	Roubles.		Roubles.
Raw wool	6,000,000	Furs	400,000
Tallow	1,000,000	Cloth	400,000
Hemp	1,000,000	Tar	200,000
Precious stones	1,200,000	Linen	400,000
Ropes, &c.	300,000	Articles in silver and gold	600,000

In the imports a decrease of 4,000,000 roubles took place in sugar.

The following Table shows the exports and imports to and from Europe and Finland for the last ten years, arranged according to the various regions of the Empire :—

Exports and Imports during last Ten Years (1857 to 1867).

Years.	Ports in the Baltic. (Exclusive of Finland.)		Ports in the White Sea.		Southern Ports.		Trade on Western (Land) Frontier.		Trade with Finland.	
	Exports.	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Imports.
	Roubles.	Roubles.	Roubles.	Roubles.	Roubles.	Roubles.	Roubles.	Roubles	Roubles.	Roubles.
1857 ..	76,675,000	90,653,000	7,533,000	433,000	49,573,000	16,438,000	19,637,000	24,250,000	4,322,000	564,000
1858 ..	64,370,000	94,305,000	4,570,000	451,000	49,622,000	12,580,000	17,923,000	20,837,000	2,779,000	548,000
1859 ..	66,069,000	97,525,000	7,291,000	530,000	57,320,000	15,786,000	18,714,000	22,344,000	3,273,000	1,742,000
1860 ..	80,034,000	93,785,000	5,104,000	518,000	57,584,000	16,397,000	22,461,000	25,191,000	2,847,000	2,288,000
1861 ..	67,815,000	100,996,000	6,809,000	500,000	63,076,000	15,695,000	22,158,000	25,557,000	3,861,000	2,221,000
1862 ..	72,965,000	79,214,000	7,026,000	538,000	54,350,000	14,297,000	25,627,000	31,182,000	7,150,000	2,762,000
1863 ..	64,187,000	88,633,000	4,747,000	660,000	44,227,000	13,043,000	21,561,000	25,359,000	6,048,000	3,006,000
1864 ..	71,848,000	96,265,000	5,746,000	538,000	58,962,000	12,252,000	28,346,000	35,118,000	6,304,000	3,518,000
1865 ..	80,332,000	82,290,000	6,174,000	730,000	64,974,000	15,170,000	32,945,000	40,447,000	6,895,000	2,336,000
1866 ..	86,398,000	109,025,000	6,212,000	754,000	68,152,000	17,922,000	34,075,000	50,473,000	6,211,000	2,397,000
1867 ..	85,303,000	134,796,000	6,855,000	789,000	80,915,000	26,174,000	34,531,000	71,030,000	12,547,000	4,054,000

The principal exports from the Baltic ports in 1867 were—

	Roubles.		Roubles.
Cereals	19,616,000	Hemp	7,996,000
Flax	13,805,000	Linseed	8,870,000
Tallow	9,637,000	Wood for building, &c. ..	6,183,000

The chief imports consisted in—

	Roubles.		Roubles.
Raw cotton	25,091,000	Metal wares	8,642,000
Raw metals	14,898,000	Machinery	7,197,000
Tea	11,377,000	Wool	6,595,000
Colours	9,232,000	Drinks	5,099,000

In the Southern (Black Sea) ports, the chief articles of trade were—

Exports.

	Roubles.		Roubles.
Cereals	19,616,000	Raw wool	5,621,000
Linseed	6,358,000	Tallow	1,961,000

Imports.

	Roubles.		Roubles.
Unwrought metals ..	4,935,000	Fruit	2,337,000
Metal wares	2,934,000	Oil and butter	1,911,000

The chief exports by the Western frontier of the Empire took place in—

	Roubles.		Roubles.
Cereals	9,756,000	Cattle	3,688,000
Flax	5,043,000	Raw wool	2,268,000
Wood of different kinds ..	3,693,000		

The chief imports by the same frontier consisted in—

	Roubles.		Roubles.
Raw cotton	12,807,000	Linen goods	2,742,000
Machinery	7,267,000	Silk goods	2,728,000
Woollen goods	3,864,000	Cotton goods	2,187,000
Metal wares	3,105,000	Tea	2,136,000
Silk	3,104,000		

The Russian transit trade appears to be insignificant, although showing a tendency to increase. Its average value during the last six years was 1,200,000 roubles, excepting the year 1866, when it rose to the figure of 11,412,000 roubles.

The statement from which I am quoting points to the immense development of Russian foreign trade during the last ten years. In that period the value of the exports by the Baltic has increased by 10,000,000 roubles, and the value of those by the Southern ports and the Western land-frontier has nearly doubled; whilst the imports have increased nearly three-fold by the land-frontier, and have doubled in the Baltic ports and in the ports of the White Sea.

The share of each foreign country in the trade carried

on with the Empire in the years 1866 and 1867 is shown by the following figures :—

EXPORTS.

	1866.	1867.
	Roubles.	Roubles.
To Great Britain	101,851,975	107,683,167
Prussia	28,896,960	30,189,627
France	16,973,887	17,851,346
Turkey	9,196,171	5,935,626
Austria	6,033,050	7,247,451
Italy	5,891,200	3,864,648
Holland	5,553,273	7,008,418
Sweden and Norway ..	3,841,161	4,939,534
Hanse Towns	3,698,123	3,826,220
German States	3,240,583	8,019,615
Belgium	3,125,955	4,475,074
Moldavia and Wallachia ..	2,662,770	2,266,075
United States	1,433,078	1,262,986
Denmark	1,300,684	1,197,061
Greece	572,447	345,404
Portugal	376,142	1,645,414
Various States	253,528	377,015
Spain	117,197	73,005
Total	194,838,184	207,606,686

IMPORTS.

	1866.	1867.
	Roubles.	Roubles.
From Prussia	69,723,416	92,078,849
Great Britain	59,393,518	75,287,210
Holland	10,508,687	4,973,546
France	10.227,860	14,569,044
Austria	8,458,296	12,750,182
Hanse Towns	8 143,596	11,550,312
Italy	5,453,671	2,898,204
Turkey	4,895,416	5,316,337
Belgium	2,927,788	7,160,098
Sweden and Norway ..	2,364,967	2,819,853
United States	2,247,200	4,603,551
Spain	1,568,866	3,690,528
Greece	1,182,311	2,481,402
Moldavia and Wallachia .	725,303	853,247
Various States . ..	661,673	531,792
Portugal .. .	479,346	1,050,992
German States . ..	242,206	916,337
Denmark	153,864	134,571
South America . ..	130	41,226
Total	189,337,914	243,707,281

It appears from the above figures that Great Britain, by a long way, heads the list of States importing Russian goods, taking nearly four times as much as Prussia, the nearest neighbour and next largest customer of the Empire. France and Turkey follow, but at a long distance. No marked increase is noticeable between the quantity of Russian goods imported by the various States in 1867 and that imported in the preceding year, excepting under the head of "German States" and Portugal, the former of which took more than double and the latter more than four times the amount set down against them in 1866.

The imports from foreign States in 1867 exceeded those in 1866 by no less than 54,369,367 roubles. Of this increase, the largest share falls to Prussia and Great Britain, the former State taking the first rank in the list of countries exporting goods to the Russian Empire.

Navigation in 1867.

Sailing and Steam-Vessels Entered.

	With Cargoes.	In Ballast.
Baltic ports	3,708	2,060
White Sea ports . ..	330	511
Southern ports . ..	1,342	3,096
Total	5,389	5,667

Together, 11,047 vessels, measuring 1,385,738 tons.

Of the above number, 2,381 sailed under the British, 1,241 under the Russian, 1,052 under the Italian, 1,134 under the Swedish and Norwegian, 894 under the Dutch, 795 under the Turkish flag, and 3,550 under the flags of various States.

Sailing and Steam-Vessels Cleared Out.

	With Cargoes.	In Ballast.
Baltic ports	5,470	186
White Sea Ports ..	862	62
Southern ports	4,008	502
Total	10,340	750

Together, 11,090 vessels with 1,400,552 tons.

In 1866, 10,758 vessels with 1,257,865 tons entered,

and 10,708 vessels with 1,253,261 tons left the Russian ports.

Customs Receipts for the last Ten Years.

	Roubles.		Roubles.
1857	29,347,235	1863	32,809,681
1858	27,052,751	1854	29,365,435
1859	27,448,273	1865	27,544,157
1860	27,935,533	1866	30,506,366
1861	28,578,400	1867	37,053,947
1862	30,939,084		

In conclusion, I beg to crave your Excellency's indulgence for the hurried and incomplete nature of the foregoing remarks. I have been but four weeks at my post, and have been unable as yet to study commercial or any other questions in this country.

(Signed) HORACE RUMBOLD.

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REPORTS

BY

HER MAJESTY'S SECRETARIES

OF

EMBASSY AND LEGATION,

ON THE

MANUFACTURES, COMMERCE, &c.,

OF THE

COUNTRIES IN WHICH THEY RESIDE.

Presented to both Houses of Parliament by Command of Her Majesty.
February 1869.

LONDON:
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1869.

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Spain.

Report by Mr. Lytton, Her Majesty's Secretary of Legation, on Spanish Finances.

Madrid, November 29, 1868.

It would not, under any circumstances, be easy to describe fully and precisely, in all its details, the actual financial condition of Spain. Such a task, indeed, is more than the present Administration of the Spanish Exchequer has yet been able to undertake; although, most assuredly, the energetic Minister to whom it is confided cannot be reproached with undue reticence upon a subject in which the public is no less interested than the Government. In a short financial statement, which is remarkable for the frankness and clearness of it, Señor Figuerola justifies the postponement of more detailed information in regard to the resources and liabilities of the Spanish Treasury by reference to the confused and disorganized condition in which he has found it; and the financial affairs of this country are still fluctuating under the variable influence of an undetermined and, altogether abnormal, political situation.

In my own case, however, extraordinary claims upon time and attention, up to the last moment of my short official residence in Spain, have greatly increased the difficulty of studying all the complicated details of Spanish finances; and it is, therefore, not in my power to extend the present report beyond such general observations as may, perhaps, furnish my successor with a foundation for more detailed and exhaustive treatment of the subject to which it is addressed.

I.

The public income of Spain is derived from the following sources:—

1. Direct taxation.
2. Indirect taxation, and contingent resources.
3. Stamp duties, &c.
4. State property, &c.
5. Colonial revenue.
6. Special Treasury resources.

And the public expenditure is absorbed by the following obligations:—

1. Civil List.
2. Houses of Parliament.
3. Public debt.
4. Compensations.
5. Pensions.
6. Departmental expenses.

The revenue derivable from direct taxation was estimated, by the Cabinet of the late Queen, at about 7,037,800*l.*, for the present financial year beginning on the 1st of July, 1868, and ending on the 30th of June, 1869. The indirect taxes were expected to yield, for the same period, about 4,788,470*l.* The stamp duties were calculated at 8,284,090*l.* A total of about 4,257,376*l.* was expected from the profits and sale of State property. The Colonial revenue was estimated at 1,339,010*l.*, and the special resources of the Treasury at 140,000*l.* The total estimated income for the present year, therefore, amounted to about 25,846,747*l.*

In the estimates of the late Government, the expenditure for the same period was fixed as follows :—

	£	£
General obligations of the State :—		
Civil List	458,500	
Cortes	23,970	
Public Debt	6,735,583	
Compensations, &c.	154,282	
Pensions	1,635,305	
Total		9,007,640
Departmental expenses :—		
Office of President of the Council.	68,842	
„ Foreign Affairs ..	138,245	
„ Grace and Justice ..	2,110,940	
„ War	3,966,712	
„ Marine	858,544	
„ Interior	918,907	
„ Public Works . ..	1,893,991	
„ Finance	4,451,609	
„ Colonies	15,166	
Expenses on account of sale of National property	3,134,186	
Total		17,557,147
Grand total		26,564,787

The estimated deficit for the year 1868-69, was therefore about 718,040*l.**

Señor Figuerola, however (the present Minister of Finance), has informed the public that the accumulated deficit, under the late Government, amounted on the 9th of October last to no less a sum than 24,906,866*l.* The difference, therefore, between the estimated and the actual deficit is a difference of 24,188,826*l.* But whilst, on the one hand, the actual deficit thus proves to be greatly in excess, on the other hand, there is every reason to anticipate that the actual income of the State will come very far short, of the estimates of the late Government, for the current financial year. Nor is it probable, under existing circumstances, that any corresponding diminution can be effected in the expenditure. On the contrary, the

* For convenience sake I have taken 100 reals as equivalent to the pound sterling ; but, of course, this is only a rough approximation, and the actual amount of the above totals is somewhat higher. The current rate of exchange varies from 95 to 98 reals to the pound sterling.—R. L.

badness of the harvest, the immense, and almost unmanageable amount of destitution which prevails throughout the country; the necessity of maintaining order at any price, and the difficulty of doing so amongst an excited and impoverished population; the urgency of liabilities too long neglected, the unappeasable avidity of fresh troops of small office-seekers, who might possibly be filling the barricades if they were not filling the bureaux, and the expense of a new, elaborate, and extensive electoral machinery: all these will be so many exceptional burdens upon the Treasury during the present year. At the same time, the necessity of immediately and finally abandoning various unpopular imposts; the unsettled state of the country which increases the difficulty and cost of collecting other taxes; the temporary discouragement of credit and suspension of enterprise, which are inevitable to all violent changes, however dilatory, in the constitution of the body politic; besides the enormously increased activity of smuggling, which, in consequence of the hasty and partial legislation of some of the provincial Juntas, has already thrown the entire Customs revenue into a state of extreme disorder; these will be so many exceptional deductions from the productivity of the normal resources of the State during the year 1868-69.

The re-establishment of order under a Government enjoying the confidence, and commanding the respect of the nation; a courageously large reduction of unproductive expenditure, and a cautious relaxation of the present illiberal Customs Tariff, are remedies upon which Spanish statesmen may reasonably rely for the eventual restoration of permanent financial prosperity. But they are not remedies which either promise immediate results, or admit of immediate application; and, in the meanwhile, it is obvious that, unless extraordinary provision can promptly be made for the reduction of the existing deficit, the Government must experience the utmost difficulty in paying its way to the end of the year.

Before stating, however, what (up to this moment) have been the principal measures of the present Finance Minister in dealing with the long accumulated legacy of financial trouble bequeathed to him by the Ministers of the late Queen, and greatly augmented by the recent ill-considered action of the Juntas, it will be convenient to

examine a little more closely the various items of the State's normal income, as presented in the last budget which issued from the Cabinet of Señor Gonzales Bravo.

II.—*Direct Taxation.*

Under this head must be included the property tax, and the tax on industry, with their additional per-centages; a temporary income tax of 5 per cent.; taxes on transfers of property, titles, horses and carriages; free port-dues in the Canaries; and a tax upon mines. The estimated revenue from the property tax, with a surtax of 10 per cent. (upon real estate, live stock, cultivation, &c.), was 4,730,000*l.* for the present financial year. The tax on industry and commerce, also with a surtax of 10 per cent. for the same period, was estimated at 877,800*l.* Tax on changes of ownership, &c., 600,000*l*; on grandeeships, titles, &c., 20,000*l.* Tax on carriages and horses (used for pleasure), 20,000*l.* Temporary 5 per cent. income tax, 725,000*l.* Free port-dues (Canaries), 13,000*l.* The charges on mines were thus estimated:—

	£
3 per cent. on minerals	5,000
2 per cent. on metals	24,500
Additional duty levied on the silver contained in lead	5,500
Land fee	15,000
Total	50,000

And to the foregoing items must be added the arrears of direct taxation to the end of 1849, amounting to 20,000*l.*, which brings the total income anticipated from direct taxation for the year 1868-69 to the sum of 7,037,800*l.* An estimate which may possibly be realized, but, as regards the indirect taxes, the revenue derived from that source is likely, I fear, to fall far short of the amount anticipated by the estimates of the late Government.

III.—*Indirect Taxation.*

The two most important branches of this revenue have hitherto been the Customs Tariff on imports, and the tax on consumption levied in the shape of market dues and

octroi at the gates of towns. These were estimated by the late Government as follows :—

For the Year 1868-69.

	£	£
Customs revenue		2,400,000
Taxes on consumption :—		
Finance Department—		
Capitals and established ports	300,000	300,000
Towns	..	
Compounded for—		
Capitals	527,700	1,602,700
Towns	1,075,000	
Farmed out—		
Capitals	33,075	84,889
Towns	51,814	
Total		4,387,589

Now, it is impossible to compare the accompanying statement with the actual condition of the revenue derived from indirect taxes, without alluding to recent political events. I shall do so, however, with the utmost brevity.

No sooner was it known throughout Spain that General Novaliches, at the head of the Queen's troops, had been defeated at the battle of Alcolea, than the last shadowy simulacrum of Government in the Queen's name vanished from this country, without leaving any fragment of its long tottering materials either in the capital or the provinces, from which all the royal authorities suddenly decamped or were suddenly expelled.

In the immediate, total, and continuous absence of any sort of central authority or legalized executive, Spain was preserved from intolerable anarchy partly by the admirable spirit and conduct of the armed populace, whom, in all the principal towns, a single hour had made the temporary master (and, as it proved, the practical guardian) of life and property ; partly, also, by the inherent strength of her own capacity for local Government.

The inveterate tendency of the Spanish Provinces to separate, and more or less independent jurisdiction, is a fact to which recent events have given great prominence, and which cannot, I think, be safely lost sight of altogether in any attempt to reconstruct the political fabric of this country upon peaceful and permanent foundations. Be that as it may, however, both the good and the evil of it were forcibly illustrated by what followed upon the abrupt

collapse of the Queen's Government. Into the administrative void thereby occasioned, sprang up, without a moment's delay, a multitude of Provincial Juntas; which, deriving their sole authority from the spontaneous obedience of the local populations which they represented, imposed and maintained comparative order and security, each within the circle of its self-constituted jurisdiction.

To the administrative activity and courage of these unlegitimized provincial legislatures, which then everywhere emerged to the rescue of society throughout a country wherefrom a revolution that proclaimed no definite form of Government had just expelled a monarchy that left none, so large a debt of gratitude is owing, on behalf of property unpillaged and life protected, that I, for one, cannot harshly comment on much that was undoubtedly mischievous in the exercise of their self-assumed authority.

Seriously mischievous, however, was one of the very first acts of these local bodies; who, in some of the ports over which they temporarily presided, immediately abolished the import duties altogether, reducing them in others to one-half, and in others to one-third of the amount at which they are fixed by the National Tariff for the whole country.

It is a circumstance which may reasonably occasion much anxiety to Spanish statesmen, that whilst, on the one hand, any great reduction of these duties, as regards the important province of Catalonia, is thought, by those best acquainted with the feelings and character of its population to be not unlikely to dissolve the connection between that province and the rest of the kingdom: on the other hand, the impatience of the population, who, in other parts of the country, apparently object to be sacrificed, in their common interest as consumers, to this consideration, was vehemently manifested by those enactments on the part of their respective Juntas, which were one of the first consequences of the revolution.

The desperate disorder, however, into which the whole Customs revenue has now been thrown by such sudden, violent, and irreconcilably different alterations of the Tariff, as well as the irreparable damage thereby inflicted on the national income for the current year may be easily conceived.

Large deductions must, therefore, be made from the estimated amount of the Customs revenue for the year

1868-69. But, as regards the income hitherto derived from taxes on consumption, the case is yet worse. The unpopularity of these taxes has long been excessive, and has finally proved irresistible. The existence of them was one of the grievances proclaimed by General Prim, and the abolition of them one of the most intelligible demands on behalf of which his Excellency, previous to the revolution, unsuccessfully appealed for popular support in his military insurrection against the Government of Marshal O'Donnel The success of the revolution sealed the doom of these obnoxious imposts. The people refused to pay them, the Juntas abolished them, and the Provisional Government would have been unfaithful to the cause it represented had it refused to recognize as final, the verdict of the people upon this point. That verdict has, therefore, been confirmed by a Decree of the Finance Minister; and, in estimating the revenue to be derived during the present year from indirect taxation, we must consequently cancel altogether the sum of 1,987,590*l.*, which was anticipated from the duties on consumption.

The estimates of the late Government for 1868-69 include, under income, a sum of 4,008,807 escudos (about 400,880*l.*) on account of various Treasury claims and profits thus specified :—

	£
10 per cent. on indemnifications to persons formerly sharing in ecclesiastical tithes, &c.	27,000
Turnpike, bridge, and ferry dues	140,579
Consular fees	54,200
Fees collected by Notaries of military chests ..	3,260
Contingent resources (not specified)	40,000
Arrears of all kinds, due to the Treasury . ..	10,300
6 per cent. interest on money diverted from its legitimate application	370
Publication of official documents	2,771
Sums due from all branches of the Public Service on account of former Budgets	122,000
Arrears of indirect taxation and contingent resources, to the end of 1849	400
Total	400,880

Without questioning the conscientiousness of this estimate, or discussing the items of it in detail, it may be reasonably assumed that, under present circumstances at least, the Treasury is by no means sure to realize the full amount of it in cash.

A sum of 1,296,760*l.* was anticipated by the late Government from the stamp duties for this year (viz., 717,360*l.* on stamped paper, 575,800*l.* on loose stamps, and 3,600*l.* on sundries).

The estimated revenue from the State monopolies is—

	£
Tobacco	3,599,057
Salt	1,263,640
	4,862,697

1,805,000*l.* was anticipated from the lottery. But the abolition of the lottery is among the reforms advocated by the revolutionary press; and as the financial policy of former Spanish Governments is no longer practicable in its entirety, it is highly probable that, in the thorough reorganization of the whole financial system which is now imperative, this not very moral source of revenue may be abandoned.

The Royal Mints thus figure in the estimates of the late Government:—

Mints:—		£
Madrid ..		
Seville ..	Gold and silver	21,153
Barcelona ..		
Segovia ..		
Suria ..	Bronze	117,277
		138,430

A sum of 356,552*l.*, is made up by the estimated income from penal and military establishments, Treasury money orders, and the proceeds of the official gazette, &c.

The Post-office estimates are:—

	£
Foreign letters and newspapers	12,000
Half of sum paid for preferential delivery of letters	1,300
Sundries	250
	13,550

IV.—*State Property.*

This source of revenue figures in the above quoted estimates at no less a sum than 4,257,376*l.* It must, therefore, be reckoned amongst the most important

items of the States' estimated income. The total is thus made up :—

	£
Profits from State mines	390,455
Arrears of payment by former purchasers of National property, to be made good in stock of the debt	400
Proceeds of State property	28,030
Sale and administration of Church property by the State	269,642
Proceeds of sequestrated property (private) ..	5,000
Various State dues, such as per-centages on sales of Municipal property, provincial assignments, and contributions to public works, &c.; sums from public Companies for expenses of inspection, and in repayment of Customs depôts established for their convenience, &c.	66,094
Proceeds of tax on salaries of Registrars of property	26,700
Arrears connected with State property, and dues, &c., to the end of 1849	200
Sales of National property effected previous to May 1, 1855, obligations which may be made good in currency	1,734
Ready money :—	
Instalments due in second half-year of 1868, and first half-year of 1869; with discount on those proceeding from sales and redemptions anterior to October 2, 1858 ..	358,426
Instalments due in second half-year 1868, and first half-year of 1869, with discount on those proceeding from sales and exemptions subsequent to October 2, 1858 ..	3,089,882
Extraordinary receipts on account of sales and redemptions	25,310
	4,257,376

Now, with reference specially to the foregoing estimate and generally to all that figures in the estimates of the late Government to the account of special and contingent Treasury resources, it is to be observed that, according to the unreserved and explicit statement of the States' actual receipts and liabilities, which was published by Don Laureano Figuerola immediately after his Excellency's accession to office last October, all that could then be found in the National Treasury was a sum of about 520,257*l.* in cash, and obligations to the amount of 17,313,376*l.* due from purchasers of State property in June last.

Furthersums, amounting altogether to about 7,521,645*l.*,

were still due to the Treasury on the residues of former sales and loans. But these securities could not be realized except at a heavy loss; and as indeed they were almost entirely represented by letter of the public debt not yet in the market, Señor Figuerola rightly regarded them as not being assets at all, in any practical sense. The available funds of the Treasury, therefore, amounted at the beginning of last month to about 520,257*l.* in cash, and paper securities to the nominal value of 17,313,376*l.* But, after deducting from the amount of these obligations the sums required to meet Treasury liabilities in the issue of notes guaranteed on the sale of national property, and debts immediately falling due to foreign creditors, there only remained about 1,385,075*l.* This reduces the total amount of funds in hand to 1,905,332*l.*, of which the greater portion was made up from paper securities; and from these latter it was found necessary to make further deductions on account of broken contracts and sales annulled.

The Colonial Revenue for 1868–69 has been estimated at between 13,000,000 and 14,000,000 escudos—about 1,339,010*l.* If to this be added a sum of about 140,000*l.* for war indemnifications, the receipts for the year 1868-69, as estimated by the late Government, will amount to 25,846,747*l.* But I have already stated the principal reasons why the realization of that estimate is hopeless.

V.—*Recent Financial Measures.*

It will have been seen, from the facts above mentioned, that the present Provisional Government of Spain has succeeded to the administration of a revenue considerably, though temporarily, impoverished by the events which brought them into office. It may now be added that they, at the same time, succeeded to a heavy inheritance of unproductive expenditure, permanent debt, and pressing liabilities. It will have been seen that the entire revenue represented by one of the most important of the indirect taxes, is now annihilated with the abolition of the home duties on consumption. It will have been seen that the duties on foreign imports have been so mercilessly mishandled by the Provincial Juntas as to throw out of gear the whole machinery of the Customs and swamp with a contraband trade, which it is now most difficult to arrest,

no small portion of the remaining revenue derivable from indirect taxation.

The amount to which, in one way or another, the State has been impoverished by the Acts of the Provincial Juntas, is estimated by Señor Figuerola at no less than 700,000*l.*

But this is not all. Circumstances, simultaneous with those which have thus reduced the receipts, still augment the disbursements of the State. So great is the destitution of the small holders of land and the agricultural peasantry in many parts of the country at this moment, that the Government anticipates a considerable outlay during the winter, in order to provide seed for the cultivation of the soil. It has already to deal with the difficulty of inducing large numbers of labourers out of employment to keep the peace—a difficulty not diminished by the recent distribution of arms to this class of the population; and, in Madrid alone, no less than 15,000 men are now being supplied with daily work and wages at the public expense. What is the actual amount of that expense I cannot say. But by persons usually well informed in regard to matters of this kind, it is estimated at the rate of nearly 7,000*l.* a week, including the salaries of overseers and all incidental expenses. This estimate seems to me incredibly high. Whatever be the actual amount, however, of this extraordinary outlay, there can be no doubt that it is entirely unproductive. For one thing, at least, is certain. The workmen, thus employed, do not work. Many of them indeed are unaccustomed to rough, manual labour, and physically unfit for it. They cannot, like convicts, be compelled to work; they cannot, like professional workmen, be dismissed for not working; and the overseers, who are paid to make sure that the wages of these unwilling labourers are adequately earned, are not altogether unexposed to personal danger in earning their own.

Although it is stipulated that only those persons shall be employed at the public expense in Madrid who really belong to the district of Madrid, this stipulation is difficult to enforce; and I am strongly under the impression that, hitherto, the only practical result of the measure has been to augment for the present the population of the capital by many thousand poor, whose peaceable conduct is in some degree dependent on the continuation of

artificial employment which must, sooner or latter, be withdrawn.

It is notorious that Señor Figuerola has yielded, with the utmost reluctance, to the sore necessity of providing, at the expense of the State, temporary subsistence to unemployed labour. It is notorious that the necessity does exist, and that the Government, in recognizing it, has not ceased to recognize those principles of political economy which can be so easily invoked in condemnation of its conduct. Governments, however, cannot afford to be pedants when their business is to deal, daily and hourly, with a multitude, half armed and half starved, provided with muskets, and unprovided with bread.

To these extraordinary charges upon the Treasury must also be added the expense of repairing 600,000*l.* worth of damage done to the Royal arsenals by the invasion of the mob, after the sudden flight of the late Government on the 29th of September.

It has already been shown how inadequately the Treasury was provided, at the end of that month, with the means of meeting heavy and immediate expenses. But, in addition to current expenses suddenly augmented, the immediate obligations of the Treasury were formidable. Whilst various important services were still in arrear, 466,700*l.* were owing and due on the 1st of October. Obligations to the amount of 654,738*l.* were falling due on the 9th of the same month. Debts to foreign bankers, due by the end of December, amounted to 3,434,402*l.* Debts contracted by mortgage on the sale of national property to the amount of 946,640*l.*, and 800,000*l.* worth of promissory notes guaranteed by the Bank of Spain.

These sums only represent the most pressing special liabilities of the Central Treasury, and do not include obligations of the Provincial Treasuries, not much under 2,000,000*l.*, falling due at the same time. Then, as regards permanent obligations, the capital of the Consolidated Debt already amounts to considerably more than 200,000,000*l.* sterling, and the interest of it to nearly 6,000,000*l.*, having increased since 1860, the first 50 per cent., and the last 130 per cent. A debt of 12,430,866*l.* is also due to the Bank of Deposits.

These are the circumstances which Don Loreano Figuerola was called upon to meet without delay when his Excellency assumed provisional charge of the administra-

tion of the Treasury. The provisional character of his position as a Minister, moreover, greatly increased the difficulty, without diminishing the responsibility of it. The authority of a Provisional Administration is necessarily incomplete, whilst its hampered exercise of that authority is specially exposed to general criticism. Every act of the new Minister must be dependent for its permanent operation upon the eventual sanction of a constituent Cortes, which, after all, may never be brought together, although bold, immediate, and decisive action upon his part was rendered absolutely necessary by the desperate circumstances of the Treasury. Señor Figuerola, however, being without reproach, was also without fear; and his first act was to explain those circumstances fully and fairly to the nation. The well-merited effect of this courageous statement was instantaneous, and most beneficial. Instead of striking dismay, it inspired confidence at home and abroad. Every one felt that, to hope the best, it was absolutely necessary to know the worst; and this salutary knowledge was accompanied by an immediate rise in Spanish Three per Cents., both at Madrid and at Paris.

The next act of the new Minister was to legalize, so far as this could be done by the authority of the Provisional Government, embodied in a Decree of its Finance Department, the arbitrary abolition of the octrois and other imposts on consumption, which had already been effected by the Provincial Juntas, without any reference to the Central Executive. Señor Figuerola, wisely recognizing the impossibility, and indeed the impropriety, of any attempt to re-impose these objectionable taxes, lost no time in bringing within the competent authority of law the revolutionary legislation of the popular bodies by whose will they had practically ceased to exist. But in thus promptly sanctioning the total and final suppression of a considerable contribution to the public income, Señor Figuerola took occasion to impress most forcibly upon the public mind the absolute necessity, under present circumstances, of instantly replacing it by some other and less objectionable source of revenue. His unreserved and impressive exposition of the actual state of the national treasury had already enabled him to do this with effect; and, in doing it, he skilfully availed himself of an unavoidable embarrassment to establish in Spain the recognition of a great financial principle; viz., the substitution (when-

ever and wherever practicable) of direct for indirect taxation.

Long ago, the Marquis de la Ensenada, who succeeded in somewhat reforming and simplifying them, had recognized the advantage of devising some direct tax as a substitute for these indirect duties on consumption. In 1845, they had been reduced to two—the gate toll and the "consumo" tax.

In 1854, the Cortes combined these two into one; and, in now abolishing them altogether, Señor Figuerola observes that he is only following "the movement of Europe. England is slowly, but surely, transforming all her duties on consumption, and free Belgium, in 1860, abolished those which were previously levied by her municipalities."

But, he adds, that the first duty of the Government is to pay its debts, keep its promises, and make good its obligations. And, "Just as in order to obtain our political regeneration, it was unhappily necessary to shed some generous blood; so, in order to secure our financial rehabilitation, we must shrink from no sacrifice that is imposed on us."

The next act of the new Minister, therefore (or rather the step simultaneously taken by him), was to fill the void left in the revenue after the extinction of these indirect imposts by the immediate creation of a new direct tax, which he has justified and explained at considerable length. I shall now, after stating what are the distinctive features of this tax and its mode of assessment, endeavour to record with fidelity M. Figuerola's own explanation of the principle on which it is founded, and the anticipations whereby it is accompanied.

VI.—*New Capitation or Personal Tax.*

This tax is to be levied upon all persons of both sexes above the age of 14, taking the last census as a basis. The rates to be fixed in proportion to the importance of the locality; the entire population being, for this purpose, divided into three classes, viz.:—1. Populations up to 2,000 souls; 2. Populations from 2,000 to 12,000 souls; 3. Populations from 12,000 souls upwards. Each of these three classes is again divisible into as many minor categories as may be found convenient for the more equitable assessment of the tax.

The individual rating is assessed, firstly, upon the real house-rent paid by the head of the family, or upon the estimated rent if the house he inhabits be his own property; and secondly, upon the number of persons composing the family, inclusive of servants and permanent inmates of all kinds. The tax is to be collected, according to this assessment, from the head of the family, but receipts given for each member of it who is taxed. The tax is to be paid at the tax-payer's place of actual residence, if the term of residence has exceeded one month at the date of collection. The collections to be made quarterly, the tax-payers, however, being at liberty to pay their rates by monthly instalments, either directly at the offices of the Finance Department (in which case they receive a discount of 2 per cent.), or otherwise according to special arrangement with their respective municipalities. The classifications made by Government to be exhibited to the public during a term of fifteen days, in order to afford opportunity for representations from all persons who may consider themselves aggrieved by the classification.

In order to meet municipal obligations, the Municipalities are empowered to increase the rates to double the amount received by the Treasury.

The amount of additional tax demanded on behalf of the provincial estimates to be fixed by Government, after consultation with the provincial deputations.

The Government is empowered to call for the production of the receipts whenever it may deem this expedient (as, for instance, in connection with the administration of justice); and all persons unable to prove their payment of the rate assessed to them shall be liable for double the amount; and in case of a second default, for treble the amount.

All individual representations and complaints to be adjudicated by a jury of tax-payers, under the presidency of a member of the Department of Justice, the Treasury being represented by a financial agent, empowered to act as its advocate. These juries, payable as the Government may think proper, to be elected annually; and all disputes between the Government and the rate-payers to be by them summarily decided within the fifteen days immediately preceding the publication of the rates.

If in any locality it should be found practically impossible to collect the rates in the manner established by

Government, the mode of collection shall be settled (subject to the sanction of the Government) by a meeting of rate-payers convoked by the Municipality, the number of rate-payers composing the meeting being three times that of the members of the Municipal Council.

From this tax are exempted only—

1. Soldiers and sailors on active service, up to the rank of Colonel, inclusive.
2. Persons under 14 years of age.
3. Paupers.
4. Persons, in towns exceeding 2,000 population, who pay a house-rent, considered to be a sign of poverty ("considerado como signo de pobreza").
5. Persons deprived of their liberty by sentence of a court of justice.

These are the chief provisions of the new Act. In promulgating it the Minister observes that, although the sanction of the Legislature is indispensable to the imposition of new taxes, the present is in reality only the transformation of an old tax into a form which, so far from increasing, will greatly alleviate the burden of taxation; and that, "even setting aside the law of necessity, which demands the reorganization of an income utterly destroyed," all Governments, whether provisional or permanent, are at all times entitled "to modify imposts, to the advantage of the tax-payer."

The abolished impost was levied on expenditure at the moment of making it. The new tax will be levied on individual wealth at a moderate uniform rate, and at fixed periods. The two great bases of its assessment are furnished by the rent of the house, and the number of its inmates. These data are ready to hand in the official census; and as every possible provision has been made for remonstrance, objection, and special information, from the tax-payers themselves, who, according to the terms of the Act (above stated) will be themselves the judges of their own disputes with the Executive, it may reasonably be expected that Governments will be soon provided by private interests with ample and unquestionable means for the most minute exactitude in the assessment of the rates. The incidence of the old imposts was borne by consumers only; the incidence of the new tax will be impartially distributed, and fall on all alike in due proportion to their respective means. The cost of collecting the old imposts

(even when the collection was made by contract, under the most favourable circumstances, in the larger towns), was never less than 10 per cent., often as much as 67 per cent. in the smaller towns, and ranging over the whole country at an average of 20 per cent. The cost of collecting the new tax is not expected to exceed a maximum of 8 per cent. The advantages offered to the country at large by the substitution of the new for the old tax, are cheaper and more abundant markets, absolute liberty of retail traffic, increased rapidity in the circulation of products which is expected to react favourably upon the receipts of railway companies, and the suppression of smuggling.

If the experiment succeeds, the advantages which it will secure to the Treasury are obvious. As regards the cost of collection alone, the following facts are most significant. The provinces of Castile, in the last century, paid 28 reals for every inhabitant; those of Aragon and Catalonia only paid 18. The latter province spent only 59,634 reals in the collection of 16,696,000 reals, whilst the Treasury scarcely received 50,000,000 reals as the net produce of 109,000,000 reals collected in Castile and Andalusia. In the first-mentioned provinces, the assessment was direct, in the last-mentioned it was indirect; and Señor Figuerola, believing that direct taxation redeems nearly one-half the sacrifice demanded by indirect imposts from the tax-payer, anticipates from the new tax a saving of 36,000,000 reals to the Treasury on the cost of collection.

Of course it is easy for "outsiders" to start objections to this poll-tax. I apprehend that in such a country as Spain it would be exceedingly difficult for the State to distrain for the payment of rates; and yet some such provision must, I presume, be made for the enforcement of it in case of need. Of course, the tax is not perfect. What tax is? It is obvious that Señor Figuerola himself regards it only as an experiment; and if the experiment should even partially succeed, he will probably be disposed to develop the fundamental principle of it in some maturer form. It must be remembered, however, that this tax was devised in unavoidable haste under pressure of heavy necessity, when not a moment was to be lost in righting the balance of the exchequer. But, regarded merely as an experiment, it appears to me a very important one. Even if it fails, it will have familiarized the public mind of this

country with the main principle of a financial policy never before adopted in Spain; and taken in connection with the various other measures by which it has already been followed up, it will certainly remain on record as the first decisive step yet taken by a Spanish Government towards the simplification and modernization of Spanish finances.

The next act of the new Minister was to restore order in the uniform levy of the national duties upon foreign imports,—a branch of the revenue which, as I have already explained, had been barbarously maimed and mangled by those rough implements of the revolution, the provincial Juntas. Proclaiming with firmness and dignity the social axiom that law must be recognized before it can be legally revoked, his Excellency lost no time in enacting that the arbitrary importation of foreign merchandize, either free or at reduced rates, should be considered as legally terminated on the 16th of October last. That in cases where exemptions or reductions had been continued by the local authorities beyond the above date, the merchants who had thereby profited at the expense of the national Treasury, should have to refund the amount of unpaid duty. That up to the 16th of October last, the import duties in all Spanish ports shall be considered as having been temporarily reduced to one-third of their ordinary amount. The amount of reduction made by the Juntas in the majority of the ports being thus taken as the basis for generalizing, equalizing, and legalizing within a limited period the arbitrary remission of import duties, which had been actually accomplished at different rates of reduction in different parts of the country. That where the reduction granted in particular ports shall have exceeded one-third of the original duties, all merchants who shall have thereby profited, are to refund the difference to the Treasury, even upon goods imported previous to the expiration of the term of grace on the 16th of October last. And finally, that to all merchants who, up to the above-mentioned date, may have paid full duty upon imports in places where no reduction of duty whatever had been made by the local authorities, the difference between the full duty, and the reduced duty of one-third, shall be refunded by the Treasury upon future importations within a fixed term of three months from the 22nd of November.

This measure, which is one of necessary justice, was immediately followed by another, finally abolishing those much discussed "Differential Duties," which, ever since 1784, have furnished a vexed question to Spanish Governments and Parliaments.

The history of these duties is, I think, sufficiently interesting to be briefly recorded.

In the year 1227, long before Cromwell's celebrated Navigation Act, the citizens of Barcelona, stimulated by municipal liberty and maritime enterprise, had brought to a high degree of perfection the art of shipbuilding, and secure from the piratical incursions of the Balearic Moors they had begun to extend their voyages to the Levant. In that year James the First of Aragon, amongst other privileges granted one which, specially known as "the Preferential Privilege," conferred upon the shipowners of Barcelona the right of carrying all freights, to the exclusion of foreign vessels. This privilege to the Barcelonese shipowners elicited frequent complaints from the merchants and producers of the Aragonese Coast, and especially from those of Valencia and Ibiza.

The power of the privileged class, however, and the services of their galleys in the Royal fleets, sufficed to maintain the privilege which, in course of time, was gradually extended; so that, under Alfonso V, all the ports along the eastern coasts of Spain, and finally, at a later period, all the Mediterranean and Atlantic Coasts of the kingdom were in the full enjoyment of it.

Ferdinand and Isabella, by whose marriage the crowns of Castile and Aragon were united, appear to have adopted a more judicious policy by the establishment of a fixed sum payable to vessels of more than 600 tons, as encouragement to the building of large ships for the West Indian trade. The privilege, however, was more popular than the subventions which, it would seem, were not very regularly kept up by subsequent Monarchs. In 1523 the Cortes of Valladolid petitioned Charles V for the renewal of it. In 1560 the Cortes of Toledo renewed the demand. And Philip II, with his customary impolicy, inflicted a heavy injustice upon all other Spanish ports, by granting to those of Andalusia an exclusive monopoly of the trade with the Spanish Colonial Possessions, which were at that time immense.

In spite of all such privileges and monopolies, however,

the Spanish marine rapidly declined, till the commerce of the country perished amidst the wars which Spain inherited from the Houses of Austria and Burgundy.

In 1698, at the request of the Malaga shipmasters, the mariner's privileges were renewed by Charles II, but with greater restrictions. During the wars of succession they fell into abeyance. In 1721 they were re-established by Philip V. But what is very noteworthy throughout the whole course of this history of monopoly, is the fact that again and again whenever the vigilant intervention of the State was even slightly relaxed, the artificial situation created by privilege immediately collapsed, and trade flowed back to its natural channels. As no privilege then existed in regard to importation, the merchants invariably contrived to evade the monopoly of the shipowners by exporting in foreign bottoms, leaving Spain on their return voyages. By the end of the last century the theory of the balance of trade was beginning to engage the attention of Statesmen, and the popular notion then came into vogue that the wealthiest nation is the nation which buys least and sells most. All the burdens which had hitherto weighed upon exportation were then suddenly transferred to importation; hence arose the "differential duties" as they have ever since existed in Spain; and in 1784 the "Junta de Comercio," at the instance of the Malaga shipowners, proposed an additional duty upon goods entering Spanish ports in foreign vessels.

This duty (which was virtually condemned by a Commission of Inquiry in 1865) Señor Figuerola has now abolished definitively, substituting for it a fixed duty, payable up to the 1st of January, 1872, of 1 real per 100 kilogrammes upon the following articles:—iron in bars, machinery, glass, earthenware, indigo in cakes, flock, tar, oils, and marble.

The following are subjected to a duty of 5 reals per 100 kilogrammes:—manufactured iron other than in bar, alcohol, thread, paper, alum, sulphur, nitrate of sulphur, sulphate of soda, muriate of potash, sulphuric and muriatic acid, chlorine, lime, carbonate of soda, saltpetre, gum, cheese, tin, copper, brass in bars and plates, hemp, flax, furniture. And the following to a duty of 10 reals:—sugar, cocoa, salt fish, cotton seed, leather, coffee, wax, cinnamon.

That the differential duty has been even to shipowners

themselves an illusory privilege Señor Figuerola undertakes to convince them, by drawing their attention to the fact that all those materials which really sustain navigation by forming heavy and voluminous cargoes, as well as by their large consumption, habitually enter Spain in foreign bottoms, leaving to the national shipping only those goods which, though intrinsically valuable, are light in weight, and heavily taxed. Hence the phenomenon of an annual decrease in Spanish tonnage, which in 1854 amounted to 721,000 tons, and in 1865, to only 440,000, although in the meanwhile, the import duties had increased; whilst, during the same period, the foreign tonnage in Spanish ports had grown more than 30 per cent.

Señor Figuerola is certainly entitled to boast that he has, to the utmost extent in his power up to the present moment, scrupulously substituted for the unintelligible dogma of "protection to all and injury to none, the simple and wholesome principle of liberty to all and privilege to none." For whilst, by the abolition of the differential duties, he has withdrawn from the shipowning interest a mischievous and deceptive privilege, he has also by a simultaneous decree, relieved that interest from every restriction and impediment to its freedom, which could reasonably be complained of. The representatives of this interest, for instance, are now empowered to buy their ships where they please, to careen and refit them where they please, and to sell or mortgage them to whom they please. These are liberties which they did not previously enjoy.

They complained of difficulty in manning their ships. They are allowed to complete their crews from foreign seamen, if necessary, and to hoist the Spanish flag, on payment of moderate dues, upon vessels purchased out of Spain. They complained of the multiplicity of imposts, and their complicated mode of collection. The imposts have been simplified, and their collection so organized as to affect only those operations upon which, in a general way, the transport profit has been already realized. They complained of difficulty in procuring raw materials, and articles requisite for fitting out. The import dues on these raw materials and articles have been abolished.

The exposition of general principles whereby these decrees have been accompanied is very striking, and, I venture to think, very important.

Señor Figuerola's lengthy and elaborate State Papers are

reproached by many of his critics with being more like the lectures of a Professor than the utterances of a Minister. The assertion is true; but, in my humble opinion, the reproach founded upon it is inconsiderate and unjust. Doubtless there is in all countries a large class of so-called practical men who are ever ready to set down as unfit for practical Government the Minister who habitually makes public reference to general principles. But Señor Figuerola is now labouring to inaugurate and establish a new financial and commercial policy in Spain. And this policy is founded on a recognition of general principles with which the country at large is yet unfamiliar. On the one hand, Spanish public opinion is supposed to be very backward and very sluggish in all questions of economic science. On the other hand, the new Finance Minister, who has long and carefully studied these questions, is notoriously far in advance of certain financial and commercial dogmas to which the majority of his countrymen still tenaciously adheres.

There is one consideration which I presume to think has never yet been fairly entertained by foreign critics on behalf of previous Spanish Governments whose financial and commercial policy has been undeniably disastrous. Representative Government never is, and never can be, in advance of the public opinion of the majority of the nation, which it is the sole business of representative government to represent and obey. Consequently, in those States whose material welfare absolutely demands the adoption of measures which public opinion is unprepared to sanction, and incompetent to recognize, as necessary or beneficial, representative government, instead of being the best, is practically the very worst which can possibly be devised. States in this immature condition can only make progress in proportion as the supreme authority is strong enough to be independent of, and wise enough to be superior to, the coalesced prejudice, ignorance, and selfishness, which find vent in the liberal representation of illiberal communities. When, therefore, representative government is arbitrarily and prematurely applied to such communities, it is invariably compelled to maintain itself either by pandering to local interests and personal influences, or else by habitual subterfuge and evasion of the principle on which it professes to stand. For this reason I cannot but think that the censures so often and so largely lavished

upon former Spanish Governments, should at least be qualified by increasing mistrust of the still popular theory (which is but too likely to receive readoption in Spain), that Limited Monarchy, with Representative Chambers, must, regardless of all historical continuity, and all existing social conditions, be an infallible nostrum for the good health of the body politic, and the good conduct of its members.

At any rate, to a Minister who, like Señor Figuerola, is convinced that the salvation of his country depends upon the bold adoption of a new policy, and the speedy recognition of new principles, to conciliate popular acquiescence in the one by familiarizing the public mind with the other, is a practical task of primary importance. For upon his success in this depends his success in all else. And the many arguments and aphorisms with which the new Minister is at pains to explain so minutely and patiently the elementary principles on which he acts, are not, I apprehend, the mere verbiage of a doctrinaire, but the utterance of an earnest, anxious man, who is pleading for the national life before a somewhat inapprehensive and obstinate jury.

The future credit and ultimate prosperity of Spain will probably depend more on the personal character than the actual circumstances of her Government. For this reason the financial principles and intentions of the present Government as distinctly laid down in the following language, deserve attention :—

"The creation and maintenance of industry must not be based on privileges which, containing the leaven of injustice, recoil in the long run on their possessors; nor yet upon aid from the State, at the bottom of which there is always a marked principle of communism. They must appeal to other and wider spheres of activity; and if they are in harmony with the financial laws governing human society, it is on these, and these alone, that reliance must be placed by those who apply their activity to the production of wealth. This then must be the work of the revolution if it is to produce lasting results, instead of evaporating in vain boasts and barren declamation, to compel individuals to cast off the yoke of State protection, and exercise their own strength and intelligence, relying on the study of natural phenomena and the utilization of natural conditions for success in enterprise. Government must,

step by step, reduce its sphere of action; enlarging that of the individual, who must be taught to respect his labour and himself."

What is remarkable in such language is not the novelty of it, but the novelty of its utterance by a Spanish Minister. Señor Figuerola dwells upon the fact that the love of protection, and the dislike of independent labour, are especially difficult to overcome in southern climates; but he adds that "for this very reason the Spanish Government should relax no effort to diffuse different ideas, and guide public opinion into healthier channels; since even the best reforms, if unsupported by public opinion, will be inoperative and vain."

The two measures already described have been followed by some others of minor importance and no general interest, which need not, I think, be particularized in this Report. But all such measures, however judicious they may be, so far as they go, obviously leave untouched and even unapproached, the vital financial problem which is placed before the present Administration as to what is to be done with that "yawning gulf profound" between the actual assets and liabilities of the Treasury. To rescue the finances of the current year from this chasm of deficit and debt, Señor Figuerola has resorted to the traditional expedient of a loan. It is evident that for meeting the immediate obligations of the State, no other course was open to him. It was this or bankruptcy. Señor Figuerola therefore proposes to borrow on behalf of the State no less a sum than 20,000,000*l.* sterling. There is certainly, at first sight, something audacious in the magnitude of such a demand on behalf of an exchequer which is avowedly *in extremis*, by a Minister who represents only a Provisional Administration, deriving its sole authority from the irregular nomination of self-constituted and ephemeral organizations, whose existence was dissolved by the creation of its own. But if this new loan is analyzed, I think that the immense dimensions of it will be found to be only apparent. The Case of deposits is a bank which differs in no respects from any other, except that the State is the banker of it, and therefore liable for the deposits which it receives. For the temporary use of these deposits the State pays a certain interest, varying from 1 per cent. to 5 per cent. according to the period of time within which the deposits are liable to be drawn out of the bank by the depositors. In conse-

quence of the scarcity of profitable investment, and the instability of private enterprise in Spain, the apparent advantage of Government security has attracted to this bank an enormous number of depositors. The recklessness of former Administrations had employed these deposits in unproductive expenditure on behalf of the State to an extent which left the National Treasury on the 9th of October last in debt to the Bank of Deposits for 12,430,866*l.*, a sum which the Treasury was absolutely unable to refund. In plain words, the Government, in its capacity of banker, had defrauded its clients of upwards of 12,000,000*l.* sterling. I have every reason to believe that the humiliation of the heavy burthen thus bequeathed to his conscience as the financial representative of the State, was grievously felt by Señor Figuerola. Now the new loan is represented by 1,250,000 Treasury bonds, payable to bearer, of about 20*l.* each, bearing interest at 1*l.* 4*s.* a year, issued at the rate of 80 per 100. The debt is to be redeemable within 20 years; the Government reserving the right to hasten its extinction. These terms represent a virtual interest of 10 per cent. to investors, and payment of the bonds is accepted in effects placed in the Bank of Deposits.

More than 12,000,000 of the nominal amount of the loan therefore represents only the conversion of the debt to the Bank of Deposits. At the moment I write this I am credibly informed that the conversion has been satisfactorily effected, having been accepted by the depositors who, in their previous desperate circumstances, had obviously something to gain and nothing to lose by such a settlement. Consequently, there remains for *bonâ fide* subscription only 8,000,000*l.* This loan is guaranteed upon sums due to the State upon the sale of national property amounting to 11,500,000*l.*; national property consigned for sale, 18,500,000*l.*; national property administered by the State, 82,000,000*l.*; Crown property, 64,000,000*l.*; and mines, 35,000,000*l.*: representing a total of 211,000,000*l.* But these receipts, if not already burthened by other obligations, only constitute a guarantee of which the value depends upon the stability of the revolution, and the good faith of future administrations.

Nor is the interest on the loan so high as greatly to supersede the profit of investment in other Spanish securities in the present state of the market. This loan, therefore, appeals rather to patriots than to speculators; and

Señor Figuerola has prudently determined not to bring it out at present in the foreign markets. The subscription was to have been closed on the 25th of November, but during the first days it went off heavily, and the term has since been extended to the 15th of December. Latterly subscriptions have gone on with greater alacrity, and at this moment (November 26), I believe that stock to the amount of upwards of 20,000,000*l.* has been taken. It is confidently expected that at least half the loan will be covered by Spanish subscription. But in all probability the greater portion of the subscription will represent only Treasury operations. Even should this be the case, however, it is obvious that the conversion of the debt to the Bank of Deposits will have effected a great relief to the Treasury. Meanwhile a loan of 4,000,000*l.* (the loan of 1867) has been taken up by Messrs. Rothschild, of Paris. I subjoin a tabular statement of the whole public debt of Spain.

STATEMENT of the Bonds of the Public Debt, anterior and subsequent to the Law of August 1, 1851, which are in circulation on the 30th of November, 1867, and of the Yearly Interest due on them.

PUBLIC DEBT.

		Capital.	Interest.
Consolidated Debt.		Reals vellon	Reals vellon.
Consols at 5 per cent., acknowledged to be due to the United States of America		12,000,000	600,000
Ditto, at 3 per cent., due to foreign creditors (Exterior)		2,004,812,000	60,144,360
Ditto, at 3 per cent., due to Spanish creditors (Interior)		5,790,533,370	173,716,111
Ditto, at 3 per cent. (Interior), for security of contracts		2,442,578,000*	
Untransferable Inscriptions on behalf of Civil Corporations.	Reals vellon.		
Issued for sale of Municipal Property	412,180,804		
Ditto of property of Charitable Establishments	573,967,442		
Ditto ditto of Public Instruction	133,990,177		
Ditto ditto of Provincial Deputations	3,107,436		
		1,123,245,861	33,697,375
Untransferable Inscriptions on behalf of the Clergy.			
Issued for property sold by virtue of the Concordat of March 16, 1851	26,161,152		
Ditto for the exchange agreed upon with the Pope, on August 25, 1859	1,309,827,221		
		1,335,988,373	40,079,651
Consols, at 3 per cent., since January 1, 1870, issued by virtue of a Treaty with the King of Denmark		13,000,000	
Ditto. at 5 per cent., for British claims		10,000	
Deferred Bonds, at 3 per cent. (Exterior), which now gets only 2¾ interest		2,298,224,000	63,201,160
Ditto, at 3 per cent. (Interior), ditto		2,618,017,919	71,995,492
Redeemable Debt.			
Shares of Roads, at 6 per cent.		127,340,000	7,640,400
Ditto, which are to be redeemed by lot		4,363,000	
Ditto, of Railways, at 6 per cent.		169,000	10,140
Ditto, of Public Works		64,156,000	3,849,360
Ditto ditto which are to be redeemed by lot		386,000	

* Not in circulation.

			Capital.	Interest.
			Reals vellon.	Reals vellon.
Bonds and Promissory Notes of the Debt for Moveables of the Public Treasury			4,162,356	124,870
Redeemable Debt of the First Class			58,467,374	
Ditto of Second Class (Interior)			210,230,000	
Ditto ditto (Exterior)			275,912,000	
Stock and balances proceeding from arrears due to public servants ...			432,332,457	
Obligations of Public Debt issued by Special Laws.				
Obligations of the State for Railways, at 6 per cent.			1,410,160,000	84,609,600
Ditto ditto which are to be redeemed by lot ...			1,884,000	
Shares of the Canal of Isabel II, at 8 per cent.			10,369,000	829,520
Ditto ditto to be redeemed by lot			115,000	
Debt to be converted into Consolidated Stock, and deferred, according to existing Laws.				
To be converted into 3 per Cent. Interior:—	Reals vellon.	Reals vellon.		
Interest convertible into capital	29,170,562			
Capital due to lay partakers of tithes ...	20,781,623			
Balances of the 3 per Cent. Stock, both Interior and Exterior	553,883			
Old bonds ("Vales") not consolidated ...	23,700,311*			
Provisional certificates of stock under conversion	24,585,700			
Certificates of arrears of rent due to lay sharers of tithes	9,070,283			
Ditto of interest on the $\frac{4}{6}$ths of capital due to ditto	172,944			
Current debt at 5 per cent., Old Stock ...	363,448,610			
Transferable certificates of the Order of St. John of Jerusalem	2,485			
Debt bearing no interest	125,380,404			
Ditto ditto Passive Exterior ...	7,732,000			
Ditto ditto deferred, of 1831 ...	1,954,000			
Third-part of capital of 5 per cent., Old Exterior Debt	24,793,333			
Ditto ditto in shares of the National Loan of 1821	1,182,000			
Ditto ditto of prize certificates of the Laffite Loan	693,880			
Fifth-part of capital of Inscriptions 3 per cent. Exterior of 1831	248,426			
Provisional documents for interest on current debt, at 5 per cent.	26,333,462			
Interest on the current debt, 5 per cent. Ol Stock	171,631,740			
		831,435,652		
To be converted into Deferred 3 per Cent. Interior:—				
Debt at 5 per cent. (Exterior)	4,692,000			
Ditto ditto (Interior)	66,583,432			
Ditto at 4 per cent. for the 80 per cent. of its capital	16,474,555			
Interest on the 4 and 5 per cent. convertible stock for the 50 per cent. of its capital	135,887,393†			
Two-thirds of the capital of Inscriptions, at 5 per cent. of the old Exterior debt	49,586,666			
Four-fifths of the capital in Inscriptions at 3 per cent. Exterior of 1831, of which two-fifths are convertible, and the other two-fifths lost ...	993,706			
Two-thirds of the capital in shares of the National Loan of 1821	2,364,000			
Two-thirds of the capital of prize certificates of the Laffitte Loan	1,387,760			
Deferred Debt, with premium of 1834.	18,796,000			
		296,765,514		
			1,128,201,167	
			21,366,656,870	540,498,039
			£ 213,666,568	£ 5,404,980

* Created, I think, 1772.

† Comprises the English coupons.

NOTES.

1. In the Deferred Deb at 3 per cent, both Interior and Exterior, the interest due on it has been calculated, as regards the bonds now in circulation, at the rate of 2¾ per cent.; but it is to be borne in mind that by Article 10 of the Law of August 1, 1851, the sum of 138,000,000 reals is destined to the payment of interest and extinction of the aforesaid debt, in the financial year of 1867 to 1868, which sum is to be gradually increased in the proportion established by the above-mentioned Law, till the year 1870, when the debt in question is to pass to the category of consolidated debt

2. The several classes of debt which are convertible into Deferred Debt, according to the Law of August 1, 1851, will be entitled to interest from the half-year immediately subsequent to that in which they may be presented for conversion, according to the prescription of the aforesaid Law.

	Reals vellon.	Reals vellon.
3. The convertible debt amounts, as stated above to		1,128,201,167
From which are to be subtracted the following reductions:		
For the 20 per cent. of the debt at 4 per cent.	3,294,911	
For the 40 per cent. of the debt at 3 per cent. Exterior of 1831 ...	496,853	3,791,764
Net total to be converted		1,124,409,403

4. In the item of 40,079,651 reals vellon for interest on untransferable Inscriptions on behalf of the clergy, are included 39,294,816 reals vellon, which proceed from the interest on 1,309,827,221 reals vellon, the nominal value of the Inscriptions issued for the exchange of property agreed upon with the Pope, which are not laid down in the Budget, nor paid under its provisions, because their amount is included in the item of Salaries and Expenses of the Clergy and Public Worship.

The history of the public debt of Spain is a long one; nor have I either time or space to analyze and explain in detail the foregoing statement, published by the Director-General of the Public Debt, on the 6th December, 1867. It will have been seen from this statement that, at the above-mentioned date, the total amount of the public debt was 213,666,568*l.* capital; 5,404,980*l.* interest. But to these amounts must be added, for subsequent emissions, 7,426,523*l.* on the capital, and 501,941*l.* on the interest, which brings the present amount of the debt to 221,093,091*l.* capital, and 5,906,921*l.* interest. The 4,000,000 taken up by Messrs. Rothschild bring the capital of the debt to 225,093,091*l.*, and if the whole of the new loan of 20,000,000 should be subscribed, the nominal capital of the debt would then be 245,093,091*l.*

Señor Figuerola anticipates a considerable and continuous augmentation of the national income, from the effects of a more scientific adjustment of imposts and a more liberal commercial policy. But the provisional character of the Government to which he belongs places it out of his power to make any radical reform in the Customs Tariff previous to the meeting of the Constituent Cortes—an event which the public is beginning to think of as one that may never happen. And, indeed, the Provisional Government itself is probably unable to predict what may happen in Spain within the next ten weeks.

Those expectations of an immediate and extensive reform of the Spanish Tariff which might not unreasonably be excited abroad by Señor Figuerola's frequent and

emphatic enunciation of the most liberal commercial and financial principles, must, I apprehend, be largely qualified by the certainty that any such attempt will meet with vehement opposition from the cotton manufacturers in Catalonia.

The unfortunate political importance of their monopoly, and the imprudence of dealing with it abruptly or urgently, may be gathered from a glance at the exceptionably favoured position of the working population in that province. Artificial protection to an unnatural industry, which could not possibly survive free competition, now enables the Catalonian manufacturer to keep wages at a rate which would be ruinous if that protection were withdrawn. But there is no protection or restriction on the importation of corn; and, consequently, as Barcelona is the nearest Spanish sea-port to the foreign markets of supply for cereals, the Catalonian workman at present enjoys the advantage of higher wages and cheaper bread than are to be got elsewhere in Spain. Were this advantage suddenly withdrawn, it is feared that the disaffection its withdrawal would occasion might sever from the kingdom one of its most important provinces.

It will, therefore, be exceedingly interesting to see how far Señor Figuerola will venture to apply to the cotton manufactories of Catalonia his excellent doctrine that "Industry must depend solely on natural laws and natural conditions;" and that "all commercial privileges and artificial protection, being leavened with injustice, are illusory, and, in the long run, recoil upon their possessors."

VII.—*Expenditure.*

The following estimate of the normal annual expenditure of Spain, will show how large a portion of it is unproductive.

Last Budget for 1868-69:—

	£	£
General obligations:—		
Civil List	458,500	
Cortes	23,970	
Public Debt	6,735,583	
Compensations	154,282	
Pensions	1,635,305	
		9,007,640

Departmental expenses:—	£	£
Office of President of the Council .	68,842	
„ Foreign Affairs ..	138,245	
„ Grace and Justice ..	2,110,940	
„ War	3,966,712	
„ Marine	858.544	
„ Interior	918,907	
„ Public Works . ..	1,893,991	
„ Finance	4,451,609	
„ Colonies	151,669	
Expenses on sale of National property	3,134,186	
		17,557,147
Total		26,564,787

The two permanent plagues of Spain are the army and the employés. I believe the Spanish army to be an admirable one, both as regards economy and efficiency. But it is either too large or too small. To escape attack from without, Spain must rely upon the policy of the Great Powers towards each other; to repel it, upon the co-operation of one or other of them. For single-handed defence, her army is too small. For the maintenance of order at home, it is unnecessarily large. A standing army, which cannot be employed abroad, and is not needed at home, becomes, not only a superfluous expense, but a social nuisance. The Spanish army, so far from being a guarantee for internal security, is a pertinacious and permanent source of internal disorder. There is no cause which it has not espoused and betrayed, no Ministry which it has not established and deposed, no revolution which it has not initiated in treason and trampled out in blood. This army is Spain; but Spain without a conscience or a law. Far more truthfully than any monarch, the Spanish soldier may boast, "L'état c'est moi." His will, always varying, is invariably absolute. He is an armed chance; always irresolute, always irresistible. The existence of such an army uncivilizes the whole citizenship of the nation. It has perverted public opinion. It has paralyzed public spirit. It is demoralization promoted, and anarchy paid, by the State. The reduction of this mischievous institution to absolute political impuissance, is the first and most imperative condition of national regeneration and social order. But how can such a task be even attempted by a Government borne into power on the shoulders of suborned prætorians, whose demand for the

wages of military revolution is enforced by the menace of reactionary revolt? Scarcely less disastrous to the State is the parasitic multitude of "empleados" (or persons in Government employ), who annually prey upon its substance. This swarm of Spanish flies makes up a perpetual blister applied to the public income. Every change of Government refreshes and increases the irritation of it. And the minutest place-hunter, who has once been permitted to browse upon the pleasant pasturage of public employment, though it be but for a few months, has, hitherto, received a permanent pension when brushed aside to make room for the hungry parasite of some opposite party.

The local Government of this country is made up of Town Councils ("a juntà mientos"), presided over by authorities representing the district and constituting what are termed "Provincial Deputations." It has been estimated that the *personnel* of the Madrid Provincial Deputation alone, costs nearly 50,000*l*. I do not answer for the accuracy of this estimate; but it is that of two revolutionary journals.

I have often heard this curse of employés in Spain compared with the custom which prevails in the United States of America in regard to all officials appointed by the Federal Government. But, in fact, there is no possible comparison between the two cases. Setting aside the important peculiarity (so often forgotten), of the large place filled by the State Governments in the legislative and administrative system of the American federation, (which reduces the class of persons known in America as "politicians," to a small proportion of the whole population), the entire social circumstances and constitution of the two countries are essentially different.

The present Report has already so greatly exceeded the utmost limits contemplated by me in commencing it, that I cannot enlarge them by more detailed notice of this particular subject. I must, however, record my sincere conviction that, financially, politically, and socially, the regeneration of Spain inexorably demands a considerable reduction in the number of persons whose sole or chief means of subsistence are provided at the expense of the tax-payer, by employment in public offices. If these employés were half as numerous, they might be twice as well paid, and of a much higher calibre. In all subordi-

nate capacities good conduct should ensure permanent employment, and, therewith, departmental experience, which, in the composition of public offices, is a primary desideratum. The result would be economy combined with efficiency as regards the State; and, as regards the public, a higher tone of political morality, which would be absolutely priceless.

But, here again, how excessive, if not insurmountable, are the difficulties and impediments of the present Government, whose existence represents the successful combination of three great political parties. For each of these three parties is oppressed by a plethora of claims for participation in the plunder of the public purse.

I have now enumerated the various financial (and, incidentally, some of the social), difficulties and dangers which seem to beset the progress of the Spanish Revolution. I have not willingly, or consciously, exaggerated any of them; and I confess that, in despite of much which cannot but occasion frequent misgiving to all spectators of events now passing in this country, I am somewhat sanguine as to the ultimate result. Under innumerable disadvantages (many of which there is little or no chance of seeing immediately removed), Spain unquestionably has made, and is still making, progress. She is possessed of immense natural resources, of which no mismanagement can altogether deprive her, and which are obviously capable of profitable development to an extent which, under ordinarily favourable circumstances, ought to ensure a high degree of material prosperity. The need of improvement is great, but so is the field for it. The real sources of her national wealth being essentially unartificial, Spain is in the enjoyment of a physical vitality, capable of surviving social disorders and violent political experiments, which would be destructive to the more delicate foundations of any State whose prosperity, like our own, is the product rather of human ingenuity and patience, than of fertile soils and favouring suns. In less than twenty years the value of the external commerce of this country (under a commercial system so illiberal and complex, as to be almost an anachronism in Europe), has increased from 8,000,000 to more than 30,000,000. Under equal disadvantages the revenue, always elastic, has steadily increased; and, what is far more important, the Spanish race has, in

the character of it, more energy and capacity for labour, than either the Portuguese or the Italian.

Meanwhile, the harm done by the Revolution is obvious. It may be easily reckoned in pounds, shillings, and pence. But the utmost amount of this national "bill for damages," is perhaps a cheap price for the good which the Revolution is pledged to effect if it can. Already, the events of the 29th of September are bringing to a crucial test a whole host of flimsy political common-places. They have rudely shaken the sluggish dominion of many mischievous traditions: they have stimulated those generous emotions which may be easily misguided, but in the absence of which nothing great is ever achieved; and, although they have assuredly not, as yet, enriched the national exchequer, they have, at least, replaced the nation itself in possession of two beneficial resources—responsibility and hope.

(Signed) ROBERT LYTTON.

Netherlands.

Report by Mr. Thurlow, Second Secretary at the Hague, on the contemplated Desiccation of the Zuyder Zee.

The Hague, December 18, 1868.

The Kingdom of the Netherlands has not escaped the thirst for territorial aggrandizement which has characterized the history of most States during recent years; and thus while other and more powerful nations have rounded off their frontiers by encroachments on their friends or foes, Holland, seeing little prospect of a gain of territory on the land side of her dominions, has been compelled to satisfy herself by sitting down to count the cost of conquering a twelfth province from the Empire of the Ocean.

It will be the duty of this Report to explain the nature of this undertaking, to which the hitherto victorious Dutch have now pledged themselves.

Ever since certain great inundations which occurred in the twelfth and thirteenth centuries, and the dates of which have been historically preserved, the Zuyder Zee has been a blot on the escutcheon of the water engineers of Holland, which the proud and wealthy burghers of Amsterdam have been moved by every sentiment of pride and every instinct of self-preservation to erase. Before these inundations the rich soil of the Zuyder Zee was pastured by flocks and herds, and amply repaid the simple tillage of the hardy Frisians, to whom it gave a home. Since those inundations, it has taken its place upon the map of Holland as a stormy inland sea, which is now in its turn doomed to recede, in due acknowledgement of the power of man to bend the elements to his will.

Scheme of Herr van Diggelen.

Even previous to 1849 a few Dutch writers had suggested the desirability of draining the Zuyder Zee, but no definite plan for the execution of this vast design appears to have been broached. In that year, however, an engineer of eminence, Herr van Diggelen, published a preliminary project or draft of operations for the reclaiming of the whole

Zuyder Zee, including the Friesland shallows, and what is known as the Lauwer Zee. This scheme does not seem to have attracted the attention of the public to the extent that might have been expected from its importance. The colossal nature of the engineering works required, and the somewhat dark financial aspect of the undertaking, exercised a discouraging effect on minds, whose faith in such matters had not, at that date, been strengthened by the successful reclamation by M. Gevers d'Endegeist, of the far-famed Haarlemmer Meer. The only service thus rendered to the cause of reclamation by Herr van Diggelen, may be said to have been the by no means unimportant one of familiarizing the public with the idea with which he was himself imbued.

Scheme of Inspector Beijerinck.

In 1866, Inspector J. A. Beijerinck, of the Waterstaat Department of the Netherlands, brought out, at the request of the Netherlands Crédit Foncier established at Amsterdam, the draft of a project for cutting-off, dyking, draining, and bringing under cultivation, a large portion of the Zuyder Zee.

The portion of the Zuyder Zee thus proposed to be reclaimed by Inspector J. A. Beijerinck, is that which lies to the south of a line drawn through Enkhuizen, Urk, and Kampen. This draft was submitted to the King of the Netherlands by the Directors and Commissaries of the Netherlands Crédit Foncier, in a petition dated July 11, 1866, wherein they humbly prayed to be informed whether—

Concession applied for by Netherlands Crédit Foncier.

1. It was in accordance with the general views of the Government that the southern portion of the Zuyder Zee should be reclaimed by private enterprise; and whether—

2. The Government, having decided the first point, was prepared to take into consideration the present application for a concession, and to discuss further details and conditions with the petitioners.

Waterstaat desired to report thereupon.

The result of this petition was, that on the 28th August, 1866, M. Heemskerk, Minister of the Interior, appointed a Council of Engineers to examine whether—

(*a.*) The execution of the project for cutting-off, dyking, draining, and bringing under cultivation a portion of the Zuyder Zee, conceived by Inspector J. A. Beijerinck, was practicable; and in such case whether—

(*b.*) The execution of the scheme could be entrusted to private individuals, or whether the interest involved rendered advisable the execution by the Government.

Herr F. W. Conrad, Principal Inspector of the Waterstaat, was named President of this Council, and was to be assisted in his labours by seven of the ablest engineers of the Netherlands. The Council thus formed was put in communication with Messrs. Beijerinck and T. J. Stieltjes (whose writings on the subject had attracted attention), and was requested to furnish a Report with the least possible delay.

On October 1, 1866, the Council were invited by the Minister for the Interior to listen to the arguments advanced by the Netherlands Crédit Foncier, and, so far as was practicable, to make themselves acquainted with the views of all the local administrations interested.

Not wishing, however, unnecessarily to delay the expression of their views, the Council sent in to Government on May 18, 1867, although they had not at that date received answers from all the local Governments of the several provinces concerned, a preliminary Report, reserving to themselves the right of making corrections or additions thereto as occasion might occur. This Report was communicated by the Minister for the Interior to the Netherlands Crédit Foncier and to Messrs. Beijerinck and Stieltjes, and called forth from these gentlemen expressions of opinion in single and collective notes, which have since been published *in extenso* by the Netherlands Crédit Foncier, but which call for no further notice in this place.

On October 29, 1867, some further nominations to the Council of Examination were made by the Minister for the Interior; and shortly after, the answers of all the local administrations having been received, a final Report was was sent in to Government on April 20, 1868.

The draft of scheme proposed by Inspector Beijerinck, has thus been seen, as yet, to be the axis upon which all this mass of documentary and other evidence, of Reports, preliminary and final, of counter observations, and notes single and collective, has turned. Judging from the fact that, published in 1866, it ran through three editions in 1867, it would certainly appear to have been well received at home; and since this acquisition by the Dutch of a new province (containing in round numbers 390,000 acres) by the conversion of a stormy sea into rich alluvial soil, may well be deemed a matter of more than local interest, the following pages will be devoted to some account of the scope and difficulties of the present undertaking, and of

the means whereby the Dutch propose to gain another victory over their oldest and most relentless enemy, the sea.

For such an examination as is now proposed, the numerous interests and rights involved may be classified under one or other of the six following heads:—

Hydraulics.
Trade.
Agriculture.
Finance.
Political Economy.
Military Considerations.

From all these different points of view, the work must be regarded. With an eye to this or that requirement it must be thought over and judged, and wherever conflict appears established between two or more considerations, the smaller must make way for the larger, even as individuals must sometimes suffer for the benefit of the State. It is only in this way that what may be termed a concrete representation of the *pros* and *cons* can be obtained, and in this spirit the draft of operations, the Reports upon it and the observations on the Reports, shall now be examined in technical detail.

Possibility of the undertaking.

All authorities, and among them the Council of the Waterstaat, charged with the examination of the scheme, agree that from a hydraulic point of view, the desiccation of the Zuyder Zee is possible, and moreover that it could be accomplished in the comparatively short period of from eight to twelve years or fourteen years at the outside. Taking past experience of the application, on a large scale, of steam power to water engineering, into due consideration this calculation has not appeared to Dutch engineers either dubious or too sanguine.

Principal preliminary considerations. The Yssel.

One of the chief preliminary considerations in the project for draining the Zuyder Zee, is the letting-off the water-flow of the Yssel as near as possible to its actual mouth. On this point, no important difference any longer exists between the views of the Council of the Waterstaat, and those of Messrs. Beijerinck and Stieltjes. These last-named gentlemen have clearly demonstrated that, both for technical and financial reasons, the Yssel should be left outside the draining operations. The Waterstaat Council are also of opinion that "however desirable the dry-making of the whole Zuyder Zee may be, it is yet best to limit the

first operations to the reclamation of the southern portion;" and indeed, if one examines more narrowly the difficulties both technical and financial, connected with the inclusion in the scheme of the Yssel, which, in winter, often pours into the Zuyder Zee 5,000 cubic metres of water and ice per second, it is evident how greatly its omission simplifies the undertaking.

The North Sea Canal.

Although the Council of the Waterstaat regard the completion of the "North Sea Canal," now being cut through the dunes in order to connect Amsterdam directly with the sea (and save shipping the tardy route by the Helder and North Holland Canal) as a principal preliminary consideration, it can hardly with justice be so called, since its abandonment would not interfere either technically or financially with the execution of the present undertaking. It is true that the carrying out on a larger scale of the North Sea Canal scheme, including, as it does, the reclamation of the arm of the Zuyder Zee called the Ij (on which Amsterdam is situated) with the exception of a lane of water or canal left to connect Amsterdam with the cutting made through the dunes to the sea, it is true that this, combined with a boezam or reservoir in the Wijker Meer, larger than is now projected, to hold the water at times when the level of the outer waters is higher than that of the inner (and the process of emptying Holland into the sea is thus temporarily suspended) would doubtless favour the execution of the larger project of draining the Zuyder Zee, as a second basis of egress for the waters of the Zuyder Zee might thus be established.

In the interest of commerce it might also prove desirable to unite these two undertakings. The North Sea or Amsterdam Canal might then be constructed on a scale which would enable ships of any draught to approach Amsterdam at all times and seasons, thus avoiding unnecessary break of bulk and loss of time and money thence incurred.

Direction of the "cutting-off" or boundary dyke.

The general direction of the boundary dyke, to the south of which the sea should be laid dry, is from Enkuizen to Kampen; but many details under this head remain to be settled. Messrs. Beijerinck and Stieltjes desire that the dyke should touch the south sides of the islands of Urk and Schokland. The Waterstaat Council, on the other hand, desire to leave these islands entirely free to the north of the dyke. If the dyke were joined to the

island it is evident that the advantage would be reaped of having two points from which the work might be conducted outwards towards both sides. The islands would be priceless allies as depôts for materials, for the accommodation of workmen, and as bastions of protection. On the other hand, it is said that many good little harbours and creeks for ships to lie in during contrary winds or storms, which exist on the southern coasts of these islands, would thus be lost. Now, as the dyke can perfectly well be made without touching at these islands, as they may yet be utilized as depôts, and as further, it is very important that ships should have good lying ground to the lee of the islands when contrary winds blow, it would certainly appear that they would render greater services if left free of the dyke than if attached to it. In accordance with the arguments of the Waterstaat, the islands will therefore be avoided.

Height of Boundary Dyke.

The dyke would thus run from Enkhuizen to a point south of the southern dam of the Keteldiep, in a general southerly direction, so as to avoid as much as possible some sandy ground.

Both authorities, *i. e.*, the Waterstaat and the projectors, are agreed as to the profile of the Boundary Dyke and of the "Boezen," or Reservoir Canal, and inner dyke; but they are at variance as to the height of the crown of the dyke A.P., *i. e.*, above zero of the "pile of Amsterdam," a standard measurement of mean water height by which all such works in the Netherlands are calculated. As regards the profile of the dyke, it might be desirable (in the genteral interest of the public which demands a union of the Zuyder Zee and Ij, reclamation schemes), to increase the width projected for the Boezem Canal, so as to enable it later to form a duct for so much of the fresh water of the Yssel as might be needed for purposes of irrigation and navigation in time of drought.

Inspector Beijerinck originally proposed for the dyke on the North Holland side, a height of 3 metres + A.P., and on the Overyssel side 4 metres + A.P.; but these estimates have since been raised to 3·50 + A.P., and 4·50 + A.P. respectively.

Herr Stieltjes demands a height of 3·60 + A.P., and 4·40 + A.P.

The Waterstaat recommends a uniform height of 5 metres + A.P., but it would probably be better to make

the dyke somewhat lower on the North Holland side, say 4·80 + A.P., and somewhat higher on that of Overyssel, say 5·20 + A.P.

Judging, therefore, from former experience, and the records of past floods and high tides, a dyke, the crown of which runs from 3 to 5 metres + A.P., according to the locality, with an outer slope of 4 in 1, and an inside slope of 2 in one, is deemed by the engineers of this country to offer sufficient security against the ocean to enable a population to settle down without a feeling of anxiety to till the fields about to be rescued from the turbid waters of the Zuyder Zee.

Effect on navigation, drainage, and tides, of boundary dyke.

It is interesting next to inquire what, supposing the dyke happily completed, would be the sure results: —

1. Navigation could no longer take place between the northern and southern portions of the Zuyder Zee.

2. The lands lying between Kampen, Elburg, Harderwyk, Nijkerk, Naarden, Muiden, Amsterdam, Monnikendam, Edam, Hoorn, and Enkhuizen, which are now drained into the portion of the Zuyder Zee about to be reclaimed, would demand special provision on this head.

3. The storm floods on a portion of the coasts of the Provinces of Overyssel, Guelderland, Utrecht, and North Holland, would undergo some modifications.

A less certain, but still probable, result is that on the coasts of the Provinces of Friesland and Overyssel, the flood tides may rise somewhat higher, and the ebb tides fall somewhat lower than is now the case.

Measures to be taken in the interest of trade, &c.

It was naturally the duty of the engineers in projecting this great work, to combat and overcome as much as possible the inconveniences which had been foreseen as likely to ensue from its prosecution, both during its execution and thereafter.

In the interest of navigation and drainage, Herr Beijerinck has, therefore, projected in his draft a canal from the Yssel below Kampen, along the east and south coasts of the Zuyder Zee to Muiden. This canal is to be divided into two parts; the one extending from the Yssel to the Eem below Amersfort, in which the water level should, for certain engineering reasons, be maintained at the highest point; and the other from the Eem to Muiden. At the Eem a steam-engine of 300-horse power would be placed to pump the water from the low into the high level

canal; and there and at the canal mouth at the Yssel, there would also have to be sluices for protection, and for letting off the water.

This canal, with the assistance of the boundary or Boezem Canal, would maintain navigation and communication between the Zuyder Zee at the mouth of the Yssel below Kampen and Amsterdam. By its means the trade of the different districts through which it passed would, it was calculated, be much improved, as a water highway would thus be substituted for a stormy sea voyage.

This canal would be supplied with water by the drainage of the tract of country between Kampen and Amsterdam, and would discharge into the Yssel below Kampen.

For the relief of inconveniences to trade and navigation between Amsterdam and Enkhuizen, and for the drainage of the tract between those towns, embracing Edam and Hoorn, the measures projected are deemed insufficient; and, indeed, little or nothing is said in the draft on the subject.

Objections of the Waterstaat.

From the observations and calculations of the Waterstaat Council Report, the weak point of Inspector Beijerinck's Draft would seem to be insufficient regard to the wants of the country and population during the eight or twelve years required for the execution of his scheme. Certain technical exceptions are also taken to the profile of the Kampen-Amsterdam Canal, as designed by Inspector Beijerinck; but into these it is not necessary here to enter, as they could easily be overcome by slight and unimportant modifications of the design. In a Supplementary Draft Inspector Beijerinck partially overcomes the difficulties pointed out by the Waterstaat by suggesting the prior construction of the Kampen-Amsterdam Canal, and the formation of some canal links connecting Hoorn, Edam, Mounikendam, and other places in North Holland with the North Holland Canal at Purmerend, Sepenham, and the Schourd, thus rendering the coast line between Enkhuizen and Amsterdam independent of the Zuyder Zee for drainage and navigation.

The scheme once executed, abundant means of communication and drainage would be afforded by transverse canals and roads, such as now parcel out the Haarlemmer Meer in parallelograms of cultivated land. The great canal from the Hook of Guelderland to Enkhuizen, would place

the navigation of Friesland, Groningen, Drenthe, and Overyssel in direct and safe inland communication with Amsterdam, and places lying to its south.

Thus, once accomplished, little fault can be found with Inspector Beijerinck's draft of operations; but during the long years of its accomplishment, the opinion of the Waterstaat leads to the belief that the interests of the provinces concerned have not been sufficiently provided for by the projectors of this undertaking.

Plan for securing local interests during execution of work.

The question thus arises, Is it possible so to design the works as to secure these interests pending their execution, without incurring costs fatal to success from a financial point of view?

This question has been very distinctly answered in the affirmative by a great authority, who, in pointing out the importance of maintaining distinct the work itself, and the countless lesser works thereby rendered necessary, has drawn the following sketch of the conduct of operations, whereby the end in view should be attained :—

First of all construct the cutting-off or boundary dyke connecting Enkhuizen with the Keteldiep; next, construct the canal from Keteldiep to Nijkerk (*i.e.*, a link of the Kampen-Amsterdam Canal), then the canal inside and along the boundary dyke; and after that, place here and there steam-engines along the dyke, and pump until the inner or southern portion of the Zuyder Zee is reduced to a level of 0·50 — A.P. High or low water of this portion of the Zuyder Zee would now, it must be remembered, be no longer caused by tidal ebb and flow, but by pouring in and pumping out.

Now the strongest winds come from the west, the north, and the south-west. The North-Holland coast, from Enkhuizen to Amsterdam, is protected from these winds. The construction and maintenance along this coast of a dyke composed of clay and sand, and protected by a covering of reeds and faggots, would not, therefore, be very expensive. This dyke should be carried down from Enkhuizen parallel with, and at some little distance from the shore; and, running outside the Island of Marken, should rejoin the shore in the vicinity of Muiden. From thence a canal should be dug to Nijkerk (this is the second link of the Kampen-Amsterdam Canal); or, possibly, it might prove practicable to continue the dyke along the more exposed coast to opposite Nijkerk, in which case the

canal would not be required. A belt of water ample for all purposes would thus be left along the coast, and might be regarded as a temporary "Boezem" for the surrounding water administrations. The materials for building the dyke would be principally obtained by dredging, so that a uniform and sufficient depth of water for navigation might easily be obtained.

Influence of scheme on the tides.

Opinions are divided as to the influence of the proposed scheme on the tides of the Zuyder Zee. It is generally held that the tidal ebb and flow will be both higher and lower than now, and Messrs. Beijerinck and Stieltjes argue therefrom a powerful scouring, and consequent deepening of navigable channels, and increased facility of drainage. On the other hand, the Waterstaat point out how prejudicial to the interests of navigation lower tides would be, since at such times the entrance to many harbours and river mouths would be closed to shipping; and this inconvenience could only be met by prolonging the mole-heads at river-mouths, which, again, would defeat the ends of drainage by causing at high tides a higher level of the waters than before. In this manner a vicious circle or argument is established, the inquirer is baffled in his desire to gather facts, and engineers are forced to own that the influence of the work on the tides is, as yet, little better than a matter of speculation.

Influence on "piling up" of the waters during gales.

The question as to the effect of the work on the "piling-up" of the waters in the remaining northerly portion of the Zuyder Zee is, however, more capable of calculation. The height water attains from the prevalence or duration of certain winds, is not so much dependent on the force of the wind as on the length of the water-line in its teeth. During north-west winds the height of the water remains unchanged on the Friesland and Overyssel coasts. During west winds, the level on the Friesland and part of the Overyssel coast remains unchanged, the water running off, as it were, and heaping itself up elsewhere. On the other hand, the water-line rises considerably on the Friesland and Overyssel coasts during south-west and southerly winds. This is, therefore, not so much purely a matter of speculation as the question of the tides; and engineers only differ as to the extent of increase in the level of the Zuyder Zee during certain gales.

Some time, at least, of the duration of a "piling-up" gale is now exhausted in filling up to a certain point a

much larger basin than will remain when the cutting-off or boundary dyke is once constructed; and hence it is evident that there must be a longer continuance of pressure, and a certain calculable increased accumulation or piling-up of the waters, consequent on the completion of the work. On this point, however, the opinions of engineers, being more or less agreed, the adoption of a liberal margin, + A.P., is all that is required.

Schemes of Herr van Diggelen and Inspector Beijerinck compared.

This is, no doubt, one of the points of view from which to estimate the advantage over the present limited scheme of the plan, proposed in 1849 by Herr B. P. G. van Diggelen, for reclaiming by one operation the whole Zuyder Zee, from Amsterdam to the chain of islands north of the Helder, which mark the former inroads of the ocean. The existence of a basin, which circumstances might fill above the brim, would thus have been avoided; but then provision would have had to be made for the exit of the mass of water brought down by the Yssel and other rivers; and this would have entailed engineering works, and difficulties of an all but insuperable character. Besides, the depth of the Zuyder Zee greatly increases to the north of the line traced by Inspector Beijerinck for the cutting-off or Boundary Dyke, while deep sand beds are represented as taking the place of alluvial deposit and clay. Lastly, the islands of Texel, Vlieland, Ter Schelling, Ameland, and Schiermonick are not so easily to be connected with one another, and with the coasts of North Holland and Friesland, as might at first sight be imagined; for the "guts" of water separating them are of very great depth, and perfect races of the tidal ebb and flow of the Zuyder Zee.

Herr Beijerinck's proposal is, to place steam-engines, working centrifugal pumps, upon the Boundary Dyke. These engines would later (when the work of draining is completed) be distributed about the Zuyder Zee at specified points, and would serve to drain or irrigate the lands, canals, &c., within the new administration.

Steam-power required.

The necessary steam-power, calculated upon the experience derived from former undertakings, and notably from the Haarlemmer Meer, is estimated at 12 horse-power for a metre of water over an area of 2,000 acres.

The part of the Zuyder Zee to be drained contains, in round numbers, 390,000 acres.

The water throughout this area averages 4 metres in depth.

The horse-power required is, therefore, $\frac{390000}{2000}$, or $195 \times 12 \times 4 = 9{,}360$.

Herr Beijerinck calls this 9,400 in round numbers; and this power he proposes to distribute among 63 engines of not more than 150 horse-power each.

This calculation has been accepted by the engineers of this country.

The horse-power above given is considered as certainly rather over than under the mark; for since the Haarlemmer-Meer Polder (as the drained lake of Haarlem is now called) had a greater average depth than the portion of the Zuyder Zee to be drained—and since the "ring-vaart" (or surrounding canal) of the Haarlemmer Meer Polder is also much longer than the boundary dyke of the Zuyder Zee Polder will be—there should be comparatively less dead water to be lifted or carried in the Zuyder Zee than was the case in the Haarlemmer Meer. Besides, the possibility at least exists of turning the experience derived from the Haarlemmer Meer to account in the execution of countless details, which may not unreasonably be expected to represent a considerable value in the aggregate.

Calculation of time required.

In calculating the time required for draining a lake by means of engines of a given horse-power, it is essential to consider:—

1. The quantity of water in the lake at the time;
2. The quantity flowing in from springs;
3. The drainage into it from surrounding lands;
4. The rain-fall, minus the evaporation.

Of these, No. 1 is tolerably easily and certainly to be ascertained; but Nos. 2, 3, and 4 are more difficult of estimation. The exact time required cannot, therefore, be accurately fixed.

Some are of opinion that Inspector Beijerinck has under-estimated the amount of water under No. 1 at low tide at an average of 3·31—A.P.; but, following his calculation, and taking into consideration only the waters mentioned under Nos. 1, 2, and 4, a period of 1·3905 year, or 1 year and 5 months, is arrived at. The water coming in under No. 3 he estimates as prolonging the draining operations by one-fourth, or about 4 months; and he thus calculates on requiring 21 months to pump the Zuyder Zee Polder dry.

This calculation, though deemed somewhat sanguine by the Waterstaat, who knows well the unforeseen diffi-

culties liable, and even likely, to occur at every turn of an undertaking of this order, is not objected to by them on technical or tangible grounds.

The main portion of the Zuyder Zee Polder thus drained, and the projected internal canals once completed, no further reasons or difficulties would stand in the way of throwing a dyke across the mouth of the Ij, and reclaiming the portion of the Zuyder Zee that had been left for navigation and drainage within the temporary dyke connecting Enkhuizen with Muiden at Nijkerk, save and except such portions as local requirements might point out for "boezems," or other practical purposes.

Distribution of Zuyder Zee Polder.

The draft plan for the distribution of the Zuyder Zee Polder, prepared by Inspector Beijerinck, parcels out the land reclaimed in parallelograms of cultivation, intersected by a system of transverse roads, canals, &c., destined to supply its wants of drainage, irrigation, communication, &c. In this distribution no features occur that are not already familiar, from what was done in the case of the Beemster Polder, the Haarlemmer Meer Polder, and other lakes or inland seas of less magnitude that have already been made subservient to Dutch husbandry.

Main canals for navigation by large vessels are projected:—from Enkhuizen to Muiden and Amsterdam; from Eem (or Amersfort) to a large reservoir or boezem lying behind the island of Urk, out of which canals should branch right and left to Kampen and Enkhuizen; from Elburg to Hoorn; and, finally, from Harderwijk to Edam. The whole Zuyder Zee Polder could thus be likened to a thing having life; its heart, to which all these main arteries flow, is the "Boezem" (or Val van Urk, as this sandy valley below the waves is now called); each artery pumps water in and out of the larger ducts, while these, in their turn, pump in and out of the countless veins or ditches which cross each other, and place means of drainage and irrigation at the command of every farm and field within the limits of the new administration.

At many of these crossings and junctions steam-power would be provided for pumping up the water from a lower to a higher level in time of surplus caused by rain-fall, leakage, or the like. The water flowing towards the reservoirs or "Boezem" behind Urk, would raise its level at such times over that of the outer sea, when by discharge

through duly protected sluice gates, the waters of the Zuyder Zee could easily be reduced to the extent desired.

Interest of Great Britain in the undertaking.

The financial prospects of this undertaking are of especial interest, as it is calculated in Holland, the calculation being founded on the experience of the Haarlemmer Meer Polder and other public works of a national importance. That a considerable portion of the capital required will infallibly be subscribed abroad, and probably largely in Great Britain; but whether this should prove the fact or not, there remains a reason rendering the subject of interest to at least two important branches of trade in the United Kingdom—the iron and coal trades. The powerful engines, the centrifugal pumps, the vast amount of manufactured material employed, as well as the fuel, and the greater portion of the raw and skilled labour required, will to a certainty be supplied by the same commercial people, to the enterprising spirit of whose contractors the successful accomplishment of the Haarlemmer Meer reclamation was so largely indebted With such solid claims as these to our interest, the following financial details will hardly be deemed wearisome.

Financial estimates.

Inspector Beijerinck, in his draft, makes two calculations of the cost of the work; the one inclusive, and the other exclusive, of the interest on the capital to be raised. The Waterstaat and Herr Stieltjes have likewise made estimates, and the three accounts are here placed side by side.

	Florins.	£
According to Inspector Beijerinck:—		
Without calculating interest ..	84,850,000	= 7,070,833
With calculation of interest ..	107,696,431	= 8,974,702
According to the Waterstaat :—		
Without calculating interest ..	119,697,000	= 9,974,750
According to Herr Steiltjes :—		
With calculation of interest ..	115,900,000	= 9,658,333

This estimate of Herr Stieltjes, who steers a middle course between the figures of Herr Beijerinck and those of the Waterstaat, and whose opinion is as authoritative as that of anyone in this country, is thus composed :—

	Florins.
Canal from Muiden to Kampen . ..	9,305,000
Boundary dyke—40,700 metres	23,400,000
Drainage and navigation works	5,490,000
Steam-power, desiccation, and distribution .	43,195,000
Necessary alterations of canals, &c. ..	2,300,000
Total	83,690,000
Unforeseen expenses, administration, &c. ..	9,410,000
Total	93,100,000
Interest on capital employed	22,800,000
Grand total	115,900,000

The higher estimates of the Waterstaat are principally due to their allowing one year and three-quarters more for the desiccation of the Zuyder Zee Polder, and to the insertion of higher figures under the heading "unforeseen expenses." Without entering into nearer calculations, or the examination of more detailed estimates, it is therefore evident that the greater or less success of the undertaking as a monied investment, must remain dependent on the probable issue of unforeseen circumstances, and the favourable solution of doubtful points of a technical nature on which the authorities consulted are at variance. The moral to be read from what has preceded therefore, is, that while there can be little doubt of the advantages sure to accrue to certain branches of industry from the active prosecution of a scheme, the feasibility of which is admitted by the highest authorities, capitalists should hesitate, as yet, to embark in a speculation into which the element of the unforeseen so largely enters.

At the present stage of this undertaking, it is, however, perhaps unnecessary to examine in more minute detail the estimates of the authorities quoted. The whole subject has been laid before the public in a quarto volume published in 1867 by the brothers J. and H. van Laugenhuygen, of the Hague; and in that volume every florin, and indeed every cent required, is calculated to a nicety, and may be found accounted for by those who take more than a passing general interest in the question. All authorities, including the Waterstaat, agree in the perfect practicability of the design for draining the southern half, at least, of the Zuyder Zee, and in the desirability of its execution. According to Inspector Beijerinck, this scheme

does not by any means wear an unfavourable financial aspect; while according to Herr Stieltjes and the Netherlands Crédit Foncier, the undertaking is considered sufficiently attractive to cause them to apply in form for a concession from the King to carry it out. The way in which this request on their part has been met, will be best shown and explained by the following précis of the decision to which the Council of the Waterstaat, to whom the subject was referred, affixed their signatures on the 20th of April, 1868:—

Decision of the Waterstaat.

1. That the capital proposed to be raised by Inspector Beijerinck, is insufficient.

2. That if undertaken by the State, indirect advantages might accrue to the State; but that there is no evidence to show that such indirect advantages would not be too dearly bought.

3. That in the doubt of the financial success of the scheme, the Waterstaat cannot advise the Government to undertake it.

4. That for similar reasons the Waterstaat could not recommend it to private enterprise.

5. That should a substantial Company (like the Netherlands Crédit Foncier) desire to undertake the work, the Waterstaat see no objection to a concession being granted under certain guarantees.

6. That in the meantime the Waterstaat are of opinion that it is their duty to call for an amended draft, entering into further details on certain points, and removing certain difficulties which they have pointed out.

7. That the Waterstaat hope for nothing more, than that such an amended plan of operations may command their full adhesion and approval.

This "advice" of the Waterstaat is professedly grounded on "reasons both technical and financial;" but one searches in vain in their published Report for the financial calculations by which they declare themselves to have been swayed. Technical examinations seem to have been made on a scale commensurate with the magnitude of the design; but it is only fair to Inspector Beijerinck and to the Netherlands Crédit Foncier to add, that no proofs exist in the printed Reports of an examination of the financial bearings of the scheme. Under these circumstances, and as silence gives consent, it must be presumed

that the Waterstaat accept generally, and have no special comment to offer on, the purely financial calculations of the promoters of the scheme.

The cost of the undertaking being therefore roughly put at 120,000,000 florins, or 10,000,000*l.*, to take the highest estimate, it is interesting to see in what manner the Netherlands Crédit Foncier calculate that this outlay can be made remunerative.

Sale of lands redeemed.

Now, the only reply to this query is, by the sale of land reclaimed; and the practical point is to know what bids may be anticipated for such land.

It is with reference to this point that the great advantages may be observed of a capital larger than actually required, as would be available if, for example, the State took the work in hand. In such a case it would not be necessary to glut the land-market at the earliest moment by offering the still moist acres for sale. On the contrary, the land would sell piece-meal as advantageous offers came in; and it is estimated that two magnificent crops (without manure) could be reaped off four-fifths of the land reclaimed. After that, it is not unreasonable to imagine that the land might rise in public favour, and be more readily sought in the market, than before its qualities had been tested otherwise than by the elaborate borings and dredgings that have already placed the matter beyond the realm of doubt to those most competent to form, and most interested in forming, a correct opinion.

Calculation of prices.

This is a point, it must be mentioned, on which the dearly-bought experience of the Haarlemmer Meer Polder is especially valuable. In that case, 473 florins (or 39*l.*) per bunder (hectare or 2 acres), was the average price received for lands, now second to few in Holland, and fairly to be estimated as worth four-fold that sum. Now, the Netherlands Crédit Foncier calculate, on selling the bunder (*i.e.*, hectare or 2 acres) at 400 florins (or 33*l.*) for sandy, and 1,500 florins (or 125*l.*) for clay soil; which, as the clay and sand stand to one another in the relation of 4 to 1, would make an average price of 1,280 florins (106*l.*) per bunder of 2 acres.

According to the Haarlemmer Meer Polder price, viz., 473 florins, the undertaking could not be remunerated at the cost estimated; but according to the calculation of the Netherlands Crédit Foncier, it would prove a very good financial speculation.

The question thus arises, which calculation will prove nearest to the truth?

Nature of the soil of the Zuyder Zee Polder, as ascertained by borings.

With a view to obtaining data whereon to build an answer to this question, the Netherlands Crédit Foncier caused 134 borings to be made in the bottom of that portion of the Zuyder Zee to be reclaimed, and preserved from each boring three samples of the results obtained at different specified depths, the minimum depth being 1·05 mètre. By these means an accurate chart has been prepared of the nature of the bottom, and of the quality and depth of its layers of deposit.

These samples have since been submitted to chemical analysis, and the following facts have been brought to light:—

94 of the 134 borings, (or $\frac{5}{7}$), produced clay, situate at a greater or less depth, and variable in thickness and in weight. In 50 of these borings a rich clay strata of a mètre and a-half was discovered; and in 16 more a similar deposit of a less depth. The samples of this clay have been found to be rich in chalk, potash, soda, magnesia, and sulphuric acid, and coincide in fact with the best portions of the Haarlemmer Meer, Dollart, and other polders, whose fruitful qualities are well known.

24 borings produced sea and diluvial sand, containing little silex, but rich in fine shells and chalk. This soil is declared easy of improvement, and capable of bearing valuable crops.

In a very few instances—3 or 4 only—peat was found; but it is reported of fine quality. Nine borings, however, produced what is termed "derrie," a mixture of peat and clay that is not highly thought of for agricultural purposes. Only one sample was obtained of "sour ground," the prevalence of which proved so detrimental to the financial results of the Haarlemmer Meer reclamation. This was found at a middle depth of boring, and was situate under a layer of clay or derrie, It contained poisonous salts, sulphuric acid, oxide of iron, and alum—whence its sourness. The sand-bed beneath was free of sour qualities. This is reported to be the only earth discovered that is unfit for cultivation.

Duplicates of all these samples have been preserved intact, and can be examined in Amsterdam, and compared with the portions that have been submitted to analysis. It may be added, that the first geologist of the Netherlands,

Dr. Staring, has pronounced the island of Marken to be of solid clay; and that is presumed by scientific men that the whole Zuyder Zee strata of sand, peat, &c., ultimately rest on a deep bed of that earth. Setting aside, however, the suppositions of scientific men, enough is proved to set at rest any doubts as to the fitness of the soil of at least the southern half of the Zuyder Zee to meet the ends of practical agriculture; and this point established beyond dispute, there would appear no reason why the price required to make the undertaking profitable, should not be obtained for the land: always provided sufficient care were taken not to glut the market.

This last reason affords a powerful argument in favour of the counter scheme of reclaiming the Zuyder Zee piecemeal, instead of by one or two large operations. Many bits of it could easily be cut off by dikes connecting headland with headland, as has indeed been done at places already; and the land coming into the market piecemeal in this manner, would almost surely attain better prices than as is now proposed; thus making it more profitable as a speculation to reclaim smaller portions at a higher scale of cost, than to perform the work in a wholesale manner with all the financial advantages that one large business possesses over several smaller ones of equal aggregate extent.

Political and economical considerations.

In conclusion, a few of the more prominent political or economical reasons demanding the execution of this work, either by wholesale or piecemeal, are given.

In the first place, it has become the practice, in the estimation and classification of States, to consider the element of population as an element of strength and wealth.

Now the population of the Netherlands increases at something under 1 per cent. per annum, while that of the neighbouring kingdoms of Belgium and Prussia increases at a more rapid rate. This is doubtless owing to the great drain on the manhood of the Netherlands for colonial service, on a scale quite disproportionate to the size of the mother-country, and, further, to the possession by her people of that innate desire to better themselves which tends to make the poverty of a nation point to the setting-sun as surely as the compass points to the Arctic Circle. To endeavour to afford a styptic to this wound in the side of a nation, counting on January 1st, 1869, at the most

3,650,000 souls, with great services to demand of her people both by land and sea—and thus to enable Holland to hold her rank among nations—has become a primary duty on the part of the political economists of the Netherlands; and how can this so surely be provided as by the impetus to enterprise and labour certain to accrue from the acquisition of a new province, conquered in a way well calculated to enlist the sympathies of every Dutch man, woman, and child in the success of the undertaking, of a proportion to provide permanent occupation and support for an additional 250,000 souls, and affording a virgin and yet fertile field for the exercise of increased ingenuity in the art of taxation.

It remains only to be said that the present position of this interesting undertaking is as follows :—

The Waterstaat applied on April 20th, 1868, for further explanations of the views of the projectors, with reference to certain indicated points; and, pending the production by the Netherlands Crédit Foncier of such additional information, and its acceptance by the Government engineers as satisfactory, the grant of the concession, as applied for, is withheld.

(Signed) T. H. THURLOW.

Grand Duchy of Baden.

Report by Mr. Baillie, Her Majesty's Secretary of Legation, of the Trade and Industry of the Grand Duchy of Baden for the Year 1867.

Carlsruhe, December 1868.

The Reports from all parts of the Grand Duchy concur in representing the state of trade and industry in 1867 to have been far from satisfactory. Certain exceptions, indeed, there were, especially the corn, tobacco, and cattle trades in which, in general, good business was done; but it is evident that the uncertain political state of the Continent continues to press heavily upon trade, tends to withdraw capital from the market, and to check the spirit of enterprise.

Corn Trade.—The corn trade, which is always very important to this country, in consequence of the large demand in France to supply their export trade, has been unusually good during the last two years. This was especially the case during the latter months of 1867. At that time the French imports were confined almost exclusively to Hungarian corn, the supplies from Russia and the more distant parts having only reached the French market in the spring of the present year.

The French Government have greatly facilitated the import of foreign corn by the removal of inland dues, and by the further reduction of the already very low railway charges. The harvest too in Germany not having been abundant, it was necessary to procure corn from Hungary, not only to meet the requirements of the Zollverein, but also for consumption in Holland and Switzerland.

A considerable part of this trade was transacted through the channel of mercantile houses in Mannheim.

The corn business in that port amounted, in 1866, to 2,500,000 centners, value 15,000,000 florins; in 1867, to 3,500,000 centners, value 21,000,000 florins.

The average quantity of corn from Austria, daily

arriving in Mannheim and Kehl, during the three months, October to December 1867, is stated at 13,960 centners.

Hops.—The hop trade was also good. The business done in Mannheim amounted in 1866 to 20,000 centners in value, 1,600,000 florins; in 1867, to 30,000 centners, in value, 1,500,000 florins. Fears are, however, entertained of an unfavourable re-action sooner or later, owing to the immense increase in the cultivation of hops in all countries. The exportation to England and America was favourable to the hop trade; bad corn harvest and want of confidence on the other hand acted in a contrary direction.

Tobacco.—The past year, 1867, was the best known for long for the trade in Palatinate tobacco. The produce of the 1866 tobacco harvest in Baden, Rhenish Bavaria, and Hesse, was estimated at about 350,000 centners, and the best qualities, exported to England, Spain, Algiers, and Portugal, fetched the enormous prices of from 18 to 30 florins.

The trade was greatly stimulated towards the end of the year by the prospect of a bad harvest, and by the fears of the approaching tobacco-tax; so that the competition of purchasers from all parts raised the prices from 30 to 40 per cent. above what they were in the spring of 1867. The principal amount of the business was transacted in Mannheim.

The exports of the 1866 harvest, last year, were as follows:—

	Centners.
The largest part, as is the case annually, to the Zollverein States, about	180,000
England, ditto	40,000
Spain, ditto	15,000
Portugal, ditto	5,000
Italy, ditto	5,000
Algiers, ditto	15,000
Holland, Belgium, Sweden, and Denmark, ditto	15,000

The rise of the 1866 tobacco, the small return of last year's harvest, and the prospect of the tobacco-tax also, exercised a great influence upon the sale of the 1867 tobacco, so that at the end of last year two-thirds of the taxed harvest of about 250,000 centners in Baden, Rhenish Bavaria, and Hesse were already sold, and at 2 florins to 3 florins per centner higher than the quality of the tobacco would have warranted in expecting; the worst qualities

varied from 10 to 11½ florins per centner, and the best from 17 florins to 19 florins per centner.

The prices of the 1866 tobacco, on the other hand, rose, at the end of last year, up to 15 florins to 17 florins for the worst kinds, and 33 florins to 40 florins for the best.

The 1864 and 1865 tobaccos, remaining in store at Mannheim last year, were, for the most part, purchased for the Italian Government; and the snuff factories also bought up a considerable amount in view of the coming tax, raising the price to 3 florins and 4 florins per centner above the spring prices.

The resolutions of the "Zoll Parlament" in regard to tobacco have of course created a good deal of stir here, but it is gratifying to observe that the Mannheim Commercial Chambers do not anticipate, from a fixed tax of 6 thalers per Prussian morgen, any diminution either in the extent cultivated or in the trade in this country.

Coal and Coke.—The rise in the price of wood for fuel, and the extension of trade and industry, have led to an increased consumption of coal in Southern Germany. According to the Custom-house Returns the trade on the Rhine in coal and coke in 1867 amounted to 3,961,016 centners, and in 1866 to 4,002,301 centners, against 3,657,541 in 1865, and 2,785,160 centners in 1864.

The Carlsruhe-Maxau Railway conveyed from Maxau on the Rhine 2,884,771 centners in 1866 and 4,372,813 centners in 1867, against 582,876 centners in 1865.

Metallurgic Industry and Trade in Metals.

The consumption of raw iron was much less in 1866 than in the preceding year, and decreased still more in 1867, which was accordingly a very unfavourable year.

The Zinc Trade was pretty good.

The Tin Trade declined to some extent, less in consequence of diminished consumption, as in consequence of the pressure of the English upon the German market.

Manufacture of Machines, Instruments, &c.

The manufacture of machines and cast-iron works suffered more than most other industries in the last year.

The manufacture of agricultural machines, however,

makes considerable progress, notwithstanding the increasing importation of articles of this kind from England and America. In 1866, 5,936 centners of machines, locomotives, &c., were imported at Mannheim; in 1867, 13,157 centners.

The use of sewing machines is also increasing, the demand being supplied partly by home production and partly from America.

The Carlsruhe "Maschinen Bau" Society employed on an average, in 1866, 932 workmen, in 1867, 773 workmen; and produced in 1866 to the value of 1,607,476 florins, and in 1867 to the value of 1,400,000 florins.

They manufactured in 1866, 37 locomotives and 114 railway carriages; and in 1867, 32 locomotives and 160 railway carriages; besides war material, guns and hollow shot.

The wages of labour amounted in 1867 to 350,000 florins.

Carlsruhe also produced in 1866, 260 passenger and goods carriages, 120 gun carriages and munition waggons, &c.; in 1867, 350 railway carriages and 45 gun-carriages.

The average annual value of the articles delivered was about 500,000 florins, and the number of workmen about 250.

Glass.—The manufacture of plate glass for mirrors is making rapid progress. The chief establishment employs at the present time 600 workmen, who inhabit, for the most part a village belonging to and built by the glass factory, of which the population has now risen to 1,000 souls. The factory, which is being greatly enlarged, now produces annually, by means of gas furnaces, 70,000 square "meter" of cast mirror glass, of which two-thirds is employed in the Zollverein and one-third goes to other countries. The grinding and polishing is performed by 9 steam-engines of 330 horse-power.

Chemicals.—The production of chemicals of various kinds in the Grand Duchy amounted last year to 250,000 centners, most of which was exported to more distant countries, owing to the low prices ruling in the Zollverein.

The trade to Austria, from the favourable state of the exchange, was pretty good. On the other hand, the market in Belgium and Switzerland was to a great degree

closed against Baden products, owing to the low French and English prices.

Soap and Candles.—The Customs duties greatly impede the competition of Baden in this manufacture, notwithstanding the protective duty on soap, which the manufacturers would willingly give up if reciprocity were established with France, Austria, and Switzerland.

Duties are charged on bone grease, ordinary olive oils, and soda. Tallow for some years has been admitted duty free. Palm-oil, palm-nut, and cocoa-nut oil pay $17\frac{1}{2}$ kreutzers per brutto-centner. The inferior kinds of grease which are only suitable for soap manufacture pay $52\frac{1}{2}$ kreutzers per brutto-centner, and accordingly cannot be used, so that successful competition with the above-mentioned countries is rendered very difficult.

In the Zollverein, calcined soda pays 1 florin 10 kreutzers, and crystallized soda $26\frac{1}{2}$ kreutzers per brutto-centner; and in Switzerland only 30 centimes import duty.

The Swiss enjoy considerable advantages over Baden in regard to this manufacture, as they obtain the necessary raw materials partly duty free and partly at a charge never exceeding $\frac{1}{2}$ franc, and also at a less cost for transport.

Oils.—For linseed oil, chiefly used for the manufacture of varnish, house painting, &c., there has been less demand owing to the stagnation of building enterprise. The consumption of beet-root oil has also diminished, as it can no longer compete with petroleum as burning material. It is now used for wheels, spindles, &c. The trade to France and Belgium in beet-root oil has also to contend against an import duty of 6 francs per 100 kilogrammes; whereas the import duty from France and Belgium in the Zollverein is 15 groschen per centner, or 3 francs 75 centimes per 100 kilogrammes.

The decrease in the importation of the different kinds of oils, owing to the competition of petroleum, appears from the following figures:—

The quantity of vegetable oils (exclusive of petroleum) which paid duty was—

	Centners.
In 1865 was	53,724
1866	37,392
1867	36,840

Train Oil—

	Centners.
In 1865	13,529
1866	7,099
1867	8,093

The prices rose in the summer of last year, in consequence of the unfavourable results of the fishing in the north, but declined afterwards, partly owing to the general stagnation of business, and partly to the low prices of most other oils.

Petroleum.—The consumption of this oil increases annually. According to the Custom-house Returns, whereas the importation of petroleum and other mineral oils amounted to 30,217 centners in 1866, it attained the figure of 72,808 centners in 1867.

The consumption in Carlsruhe, 1866-67, was about 4,000 barrels.

The prices varied from 10½ to 15 florins.

Wine.—The exportation of Baden wines to North Germany has greatly increased since the transit-tax was removed in 1866. This advantage more than compensates for the loss arising from the reduction of the duty on French wines from 6 to 2 thalers. Great efforts are now making to improve the Baden wines, and there can be little doubt but that they will hold their ground, even if the taste in South Germany should get accustomed to the small French red wines.

Cigars.—The manufacture of cigars does not seem to have suffered at all from the events of 1866. In that year the Mannheim factories, with their branches in the country, produced about 170,000,000 cigars; in 1867, about 200,000,000.

The exportation of cigars from the Zollverein, according to the official Returns amounted in 1866 to 21,683 centners; the importation to 11,167 centners.

Colonial Goods.—Imported in—

	1866.	1867.
	Centners.	Centners.
Coffee	148,753	154,744
Rice	31,761	29,265
Spices	9,043	9,219
Fruits	2,720	3,345

Paid duty in—

	1865.	1866.	1867.
	Centners.	Centners.	Centners.
Coffee	78,500	77,984	87,163
Rice	22,969	22,129	25,847
Spices	5,715	4,701	4,651
Fruits	1,987	2,353	2,168

A large business in Colonial goods is transacted by Mannheim houses for Austria, but the goods no longer pass this way.

Sugar.—The sugar trade which had declined after the spring of 1866, improved towards the end of last year and the beginning of 1868. The prices of white sugar in the middle of January of this year rose to 28½ florins.

The trade was, in part at least, affected by the reports of a deficiency in the beet-root harvest, which for the Zollverein alone is estimated at about 700,000 centners.

Tea.—The consumption of tea in South Germany is on the increase. The imports on which duty was paid were in 1866, 114 centners; in 1867, 174 centners.

Sugar Manufacture.—The consumption of sugar has considerably decreased in the Zollverein. It averaged last year 9 lbs. per head; whereas in 1864-65 it was above 10 lbs. per head.

The business has been affected in the last two years by the same causes which have in general operated unfavourably upon trade and industry.

According to the Returns of the Statistical Department of Magdeburg, the production of raw sugar in the Zollverein in the twelve months from September 1 to August 1867 was as follows:—

	1866–67.	1865–66.
	Centners.	Centners.
Production	3,900,000	3,713,912
Importation	106,506	188,914
Rest, from previous years	197,500	52,800
	4,204,006	3,955,626
Deducting stores in last August . ..	57,400	197,500
Remain	4,146,606	3,758,126
Of this exported	893,793	452,757
Remained for consumption ..	3,252,813	3,305,369
Consumption in lbs. per head of population	9·00	9·21

Of the above production about 78 to 80 per cent. may be reckoned as refined sugar.

The Baden sugar factory at Waghäusel consumed of raw beets :—

	Centners.
1865–66	926,818
1866–67	1,405,011

—paying in the two years respectively 367,856 florins 3 kreutzers, and 510,844 florins 37 kreutzers beet-root tax.

Production and value of refined sugar :—

	Quantity.	Value.
	Centners.	Florins.
1865–66 .. .	75,962	437,102
1866–67	64,706	376,085

The number of workmen employed varies from 1,000 to 1,100.

The Spinning and Weaving Establishments in Etlingen suffered considerably during the time when war was generally expected, especially in the first half of the year. Notwithstanding the great diminution in the number of orders, labour was not stopped ; and at the commencement of the present year business returned to its normal condition.

The Paper Factory in Etlingen did good business during the critical period, owing to the large demand for paper for cartridges and Government loans.

The Wood and Timber Trade has been bad everywhere with the exception of that in hop-poles, of which there is a large export trade to France, which partly compensates for the falling-off in the demand for building-wood.

Navigation on the Rhine.—The cargoes loaded and discharged in the Port of Mannheim in 1866 and 1867 were as follows :—

Cargoes.	1866.	1867.
	Centners.	Centners.
1. Loaded	1,847,778	1,894,203
2. Discharged	6,952,294	6,758,433
3. Transferred at anchor	708,519	468,809
Total	9,508,591	9,121,445

The vessels discharged in 1867 consisted of 896

steamers, 2,652 sailing-vessels and tugs: vessels loaded of 895 steamers and 1,196 sailing-vessels.

The goods discharge were :—

	1866.	1867.
	Centners.	Centners.
(*a.*) Goods under Custom-house control .	716,804	956,958
(*b.*) Goods in free circulation	5,496,689	5,266,905
	6,213,493	6,223,863

The goods loaded consisted :—

	1866.	1867.
	Centners.	Centners.
(*a.*) Goods under Custom-house control .	38,234	30,283
(*b.*) Goods in free circulation . ..	1,809,544	1,863,920
	1,847,778	1,894,203

The above shows an increase in the goods (*a*) discharged in 1867 over the previous year of 240,154 centners. These are the real commercial goods, and come chiefly from Holland.

The decrease of the latter class of goods (*b*) has little significance. These were raw material, chiefly stores, for which there was an unusually large demand in 1866 for building the bridge and other railway works.

The goods transferred at anchor :—

	Centners.
1866	708,519
1867	468,809

Were goods which arrived on the Rhine for Mannheim houses, and were immediately loaded on Neckar vessels for ports on that river. The decrease has chiefly reference to coals, of which 329,000 centners less than in 1866 were conveyed on the Neckar. Merchants supplied themselves with coal to a larger amount than usual in 1866 from fear of a stoppage of the Rhine traffic.

Without touching the Port of Mannheim passed direct :—

	1866.	1867.
	Centners.	Centners.
(*a.*) From the Rhine into the Neckar ..	592,540	488,334
(*b.*) From Neckar into the Rhine ..	1,957,892	1,909,938
	2.550,396	2,398,272

Carrying Trade.—The hopes that were entertained of an improvement in the Rhine navigation and carrying trade from the abolition of the tolls and other dues in 1866 have as yet been only partially realized.

Last year there was but a small demand for one of the chief articles of trade, namely, cotton, owing to the fluctuating state of the prices, and the slight amount purchased by the spinning-mills was transmitted direct by railway from the Belgian and Dutch seaports; but in general it appears that the freight charges on the South-German railways are too high for the Rhine route to be able to compete with the direct railway lines for the transmission of goods from England, Holland, &c., to Munich, Vienna, and places in an easterly direction. The consequence is that a large part of the goods belonging to Baden merchants engaged in such trade do not pass through Mannheim at all; and the Rhine trade, which is so important to this country, makes much less progress than was expected.

Floating diminishes annually on the Rhine owing to railway competition; and a still greater decline is to be expected whenever a bridge at Basle establishes a connection with the French railway: 913 floats were dispatched from Laufenburg in 1867, 390 less than in the previous year.

In the *Factories*, business remains much in the same state as it was at the end of 1866. The hours of labour and the number of workmen have not been reduced anywhere.

The *Black Forest Clock Industry* made some progress last year, at least in Villingen and the immediate neighbourhood. The prices, however, have not much risen since 1866. The most of the clocks exported to North Germany, Bavaria, Spain, Austria, especially Hungary, come from Villingen. Fewer clocks were sent to France and England last year. This is attributed to the unfavourable state of the exchanges, and the competition of the Franche-Comté clocks.

North America furnishes a good market for the cuckoo clocks, though the exports are again diminishing. In 1867 about 55,000 clocks were manufactured in Villingen, by five clock factories and five small masters. The principal exporters of clocks in the Black Forest are in St. Georgen.

The clock industry in the Black Forest is at the present moment undergoing a transformation. Domestic industry

is gradually giving place to the factory system. It is hoped that by this means the clocks will improve both in quality and beauty. Domestic industry will, then, be confined to the manufacture of the single component parts of the clock, and realize eventually it is expected better profits.

Cattle Trade.—The increase in this trade is very considerable. In the monthly cattle fairs at Freiburg in 1867, the average prices were: for a pair of draught oxen, 275 to 300 florins; for a milch cow, 150 to 165 florins; for a-year old fat pig of 2 centners, 55 to 60 florins.

In 1867, 430,693 head of cattle, independent of the numerous Hungarian sheep were imported over the Kehl bridge into France. Cattle for slaughter are not included in the above number. They were forwarded direct by railway through Kehl to Strasburg and Paris.

The *trade in charcoal* in the Schönau and Schopfheim districts has almost entirely ceased, owing to the increased cheapness and consequent consumption of coal.

Railway Debt.—The share of Baden in the nett receipts of the Maine-Neckar Railway amounted hitherto on an average to 125,740 florins a-year. The total sum of the receipts is reckoned annually at 1,686,193 florins; and that of the expenditure at 997,282 florins: consequently the nett receipts annually is 688,908 florins.

These nett receipts are shared according to the amount paid of the building capital of the three States which constructed the railway.

This building capital amounted at the end of 1867 :—

	Florins	kr.
Baden	2,248,330	47
Hesse	5,297,098	52
Frankfort	4,772,826	15
Together	12,318,255	54

There results accordingly for the Baden annual share in the receipts, 125,740 florins.

The town of Frankfort originally advanced against the receipt of interest 1,650,000 florins, as Baden capital for the construction of this line. This sum the Baden Government has now paid up, the consequence of which is that the nett profits of Baden have increased, whereas those of Frankfort have diminished; Baden now holding 3,398330,

florins, and Frankfort only 3,122,826 florins railway capital.

Baden receives, accordingly, an average annual net share of 218,017 florins, therefore 92,277 florins more than before.

The total railway debt of Baden at the end of December, 1866, amounted to 95,751,471 florins 39 kreutzers.

	Florins	kr.
Of this, bearing interest at 3½ per cent. .	24,169,077	29
„ 4 „ .	52,368,661	16
„ 4½ „ .	8,750,000	0
„ 5 „ .	601,900	0
Altogether bearing average interest of 3·91 per cent.	85,889,638	45
Not bearing interest. Paper money ..	3,200,000	0
„ Dotation surplus .	6,661,832	0
	95,751,471	39

With an average interest of 3·51 per cent.

Placing against the interest of the total railway debt the revenue derived from the capital of the Main-Necker Railway, and considering that the present unfavourable state of the money market will not so soon give way, and that heavy loans will have to be contracted at nearly as great sacrifices as now, the above operation seems likely to be an advantageous one.

(Signed) EVAN P. M. BAILLIE.

Bavaria.

Report by Mr. Fenton, Her Majesty's Secretary of Legation, on Tobacco Cultivation, Salt Manufactures, Technical Education, &c.

Munich, December, 1868.

Newly-imposed Tax on Tobacco Lands in the States of the Zollverein.

In my Commercial Report, dated December, 1867, I stated that one of the Articles of the Convention signed at Berlin on the 8th of July of that year, for the reconstruction of the Zollverein, established in principle the imposition of an uniform tax on all tobacco grown within the limits of the several Customs Union States, but that the question as to the form to be given to this tax, and the rate at which it should be fixed, was to be submitted for decision to the Customs Parliament at its first meeting, which was appointed to be held at Berlin in the course of the spring of the present year.

In accordance with this understanding, the draft of a law, the principle of which was the imposition of a tax, at a fixed rate, on all lands appropriated to the cultivation of tobacco within the limits of the Zollverein territory, was presented by the Federal Council of the Zollverein to the Customs Parliament, soon after the latter body assembled in March last; and this law was, after much discussion, finally passed in all its details, so far as these concerned the character of the tax, the mode in which it should be levied, &c., but with the important modification that the amount of the tax itself, as proposed by the Federal Council, was reduced by one-fourth.

The law, as noted by the Customs Parliament, was promulgated in Bavaria by a Royal Decree, dated August 28th of the present year, its main provisions being as follows:—

A yearly tax of 21 kreutzers on every $2\frac{1}{2}$ "decimals"* of a Bavarian acre; that is to say, at the rate of 14 florins per Bavarian acre† is to be levied on all land planted with tobacco.

In cases where the whole quantity of land so planted by one proprietor or farmer, or by all the several members of one household, is less than $2\frac{1}{2}$ decimals of a Bavarian acre, no tobacco-tax will be levied upon it.

A written declaration setting forth the precise extent and situation of the ground planted with tobacco, must be delivered by each planter to the proper authority of his district, before the expiration of the month of July. That authority will then verify, by means of personal examination and measurement, the correctness of such declaration. But no charge is to be made upon the tobacco-planter on account of this examination and measurement of the land.

The amount of the tax chargeable on tobacco-lands is to be paid in two equal instalments; namely, one-half in the month of December of the year in which the crop is gathered, and the other half in the course of the month of April of the following year.

In the event of a partial or entire failure (caused by circumstances independent of the ordinary effects of unfavourable weather) of the crop of tobacco on any particular portion of land, the payment of a part of the tobacco-tax chargeable upon it may be remitted.

Drawback, at the following rates, will be allowed on the exportation to a foreign country of tobacco grown within the limits of the Customs Union, namely—

On raw unmanufactured tobacco-leaves, or on snuff, $52\frac{1}{2}$ kreutzers per Zollverein cwt. (= 1*s.* $5\frac{3}{4}$*d.* per cwt. avoirdupois); on tobacco-leaves freed from stalks and fibres, and on manufactured tobacco (other than snuff), 1 florin 10 kreutzers per Zollverein cwt. (1*s.* $11\frac{1}{2}$*d.* per cwt. avoirdupois); but no drawback will be allowed on the exportation of a smaller quantity than 50 Zollverein lbs. ($55\frac{1}{8}$ lbs. avoirdupois) of tobacco of any description, nor will any drawback be allowed on green (undried) tobacco-leaves, tobacco-stalks, or tobacco-waste. But the Federal Council of the Customs Union is empowered by this law

* According to Bavarian measurement 100 "decimals" make a Bavarian acre.

† Equal to about 28*s.* sterling per English acre.

to raise, at its discretion, and either temporarily or permanently, the drawback to be allowed on the two classes of tobacco above specified, from 52½ kreutzers to 1 florin 10 kreutzers, and from 1 florin 10 kreutzers to 1 florin 27½ kreutzers per Zollverein cwt. respectively.

The provisions of this law are to come into force for the first time in respect of tobacco planted in the Zollverein States in the year 1869.

The following details with reference to the cultivation of tobacco in Bavaria will show the extent to which the agricultural interests of this country are involved by the action of this law; and I may here repeat what I have before stated, namely, that a tax in any farm on the growth of tobacco is an entirely new feature in the fiscal system of Bavaria, the cultivation of this plant (as well as the sale and manufacture of the dried leaf), having hitherto been entirely free from special burdens or restrictions of every kind. The ground planted with tobacco paid the ordinary land-tax charged on cultivated land in general, and nothing more. It will henceforth pay the land-tax, and the special tobacco-tax as well.

The extent of land planted with tobacco in Bavaria during each of the five years, from 1863 to 1867 inclusive, a period which may be taken as representing a fair general average for many years past was, according to the official returns, as follows :—

	Bavarian Acres.*
1863	15,080
1864	16,114
1865	16,644
1866	14,188
1867	13,654

This gives an average of 15,136 Bavarian acres under cultivation every year.

By far the greater portion of the land so cultivated lies in two provinces of Bavaria, namely, in the Palatinate (on the left bank of the Rhine), and in Central Franconia, the returns of the ground under tobacco in those two provinces for the five years already mentioned, having been as follows :—

* 100 Bavarian acres or "tagwerke" are equal to 84⅕ English acres.

	Palatinate.	Central Franconia.	Together.
	Bavarian Acres.	Bavarian Acres.	Bavarian Acres.
1863 ..	11,255	3,720	14,975
1864 ..	12,485	3,513	15,998
1865 ..	13,139	3,387	16,526
1866 ..	12,145	1,898	14,043
1867 ..	10,318	3,194	13,512

On comparing these figures with the return given above for the same period, of the total extent of land employed in the growth of tobacco in the whole of the Bavarian dominions, it will be seen that the quantity of land so employed in the remaining six provinces of Bavaria amounted to a mere trifle, not having exceeded about 145 Bavarian acres in any one of the five years in question. Consequently, any measure affecting this particular branch of agriculture can only be considered as having an interest, so far as Bavaria is concerned, for the above-mentioned two provinces—the Palatinate and Central Franconia—in the former of which, I may state, the average breadth of ground devoted to the growth of tobacco constitutes about $1\frac{1}{4}$ per cent. of the whole extent of the lands under cultivation in the province for crops of all sorts, and in the latter, about $\frac{1}{3}$ per cent. The soil and climate of certain districts in the Palatinate are, it would appear, particularly well suited to the cultivation of the tobacco-plant, and for many years past this branch of agriculture has proved very profitable to the proprietors and farmers of the province, more especially so in latter times, the general quality of the crop produced having been greatly improved by the introduction within the last few years of some of the finer kinds of American tobacco, the best specimens of which, as now grown in the Palatinate, command in the home market a price from 30 to 40 per cent. higher than any tobacco grown in other parts of Bavaria.

I may add that the quantity of tobacco grown in the two provinces above referred to, forms somewhat more than one-fifth of the total quantity of tobacco produced annually within the limits of the German Zollverein territory.

The rate of production per acre of the tobacco-lands varies considerably in different localities in the same province. Thus, according to a return which I have

obtained relative to the tobacco crop of 1867, the yield for the year appears to have varied from 17 Bavarian cwt.* to 4 Bavarian cwt. per Bavarian acre in the Palatinate; and from 7 Bavarian cwt. to 4 Bavarian cwt. per acre in Central Franconia; and in previous years the variation would seem to have been, on an average, about at the same rate. The average yield of the whole extent of land planted with tobacco in Bavaria for each of the years from 1863 to 1867 inclusive, was as follows:—

1863	..	$9\frac{76}{100}$	Bavarian cwt. per Bavarian acre.
1864	..	$7\frac{78}{100}$	„ „
1865	..	$8\frac{92}{100}$	„ „
1866	..	$8\frac{54}{100}$	„ „
1867	..	$8\frac{3}{100}$	„ „

The general average for these five years being consequently $8\frac{66}{100}$ Bavarian cwt. per Bavarian acre; and, looking at the Returns for the preceding five years, the usual general average production may be assumed at about $8\frac{1}{2}$ Bavarian cwt. per Bavarian acre of land cultivated.†

This would give a total of 130,170 Bavarian cwt. as the aggregate production of 15,136 Bavarian acres of land planted with tobacco each year in the whole of Bavaria. The foregoing figures, I should observe, represent the weight of the crop in its dried and marketable state.

The market value of tobacco grown in Bavaria varies even to a greater extent than the rate of production per acre, for whilst the best descriptions raised in the Palatinate sell at as high a price as $22\frac{1}{2}$ florins per Bavarian cwt. (about 34*s.* per cwt. avoirdupois), the inferior qualities grown in the same province are only worth about 5 florins per Bavarian cwt.; the average value per Bavarian cwt. of the whole crop raised in the Palatinate in the two years 1866 and 1867, was estimated at 9 florins 46 kreutzers and 11 florins 35 kreutzers respectively. The tobacco raised in Central Franconia appears to vary less in point of quality than that of the Palatinate, the highest price recorded for the best descriptions produced in 1867 being 12 florins 13 kreutzers, the lowest 8 florins 45 kreutzers per Bavarian cwt.; and the average value of the whole crop, 10 florins 20 kreutzers per Bavarian cwt.

For the five years from 1863 to 1867 inclusive, the

* The Bavarian cwt. weighs $123\frac{1}{2}$ lbs. avoirdupois.

† This represents about 1,247 lbs. avoirdupois weight of tobacco to the English acre.

general average value of the whole crop raised in Bavaria is estimated, according to the official Returns, at 11 florins 7 kreutzers per Bavarian cwt. (about 16*s.* 9*d.* per cwt. avoirdupois), and looking at the Returns for previous years this appears to be a fair general average value.

The aggregate value of the whole average crop of tobacco produced annually in Bavaria, namely, 130,170 Bavarian cwt. would consequently be 1,447,056 florins (120,588*l.* sterling).

The Customs Union Tax now imposed, is, as already stated, at the rate of 21 kreutzers for every $2\frac{1}{2}$ decimals of land, or 14 florins per Bavarian acre per annum: a charge which, I am assured, may be assumed as representing about 50 per cent. on the annual rent paid for the best lands on which tobacco is grown in Bavaria.

The total annual amount to be levied by means of this tax on the average extent of 15,136 Bavarian acres of land planted with tobacco every year in Bavaria, will, therefore, be 211,904 florins (17,659*l.* sterling); and the aggregate value of an average crop being 1,447,056 florins, it follows that the new tax will be tantamount to a burthen of about $14\frac{1}{2}$ per cent. on the produce of the land so planted.

It is, however, scarcely necessary to point out that this tax which is to be levied at a fixed rate per acre without reference to the fertility of the soil, or the quality of its produce, must weigh very unequally on different descriptions of land, for though $14\frac{1}{2}$ per cent. may be taken as the average rate at which it will press upon the whole crop, the amount of the tax as levied, will, on the one hand, fall very far short of that per-centage on the abundant crop of from 10 to 15 Bavarian cwts., and will exceed it considerably on the thin crop of from 4 to 7 Bavarian cwt. per Bavarian acre; and this difference will naturally be increased to a still greater extent in cases where the abundant crop may be of good quality, and worth from 15 to 20 florins per Bavarian cwt., as compared with those where the thin crop is of inferior quality, and only worth from 5 to 9 florins per Bavarian cwt.

It remains to be seen to what extent this hitherto very thriving and, from a local point of view, important branch of agriculture in the two provinces of the Palatinate and Central Franconia will be affected by the new tax. At first sight, the natural inference would appear to be that under so heavy a burthen as $14\frac{1}{2}$ per cent. on the average production of the soil, a large proportion of, at any rate,

the less productive land, will be turned to some other purpose than the growth of tobacco, and the result will be a considerable diminution in the crop, as compared with that hitherto produced; but on this point opinions are, so far as I have been able to gather, much divided.

However, there can be little question that the imposition of this tax must involve a sacrifice, in one shape or another, on the part of Bavaria; on the one hand, by possibly restricting the cultivation of tobacco, and thus affecting injuriously the agricultual interests of two important provinces, or, on the other hand, by inevitably establishing a balance against Bavaria, as regards the question of her contribution to, and receipts from, the general Exchequer of the Zollverein on account of this tax, thereby inflicting a loss on the economical interests of the country at large.

Whatever the result may be with reference to the former question, the case appears quite clear as regards the latter—as the following details will show:—

The quantity of tobacco produced in Bavaria represents, as already stated, on an average, about one-fifth of the aggregate production of the entire Zollverein territory, and the proportion is, as nearly as possible, the same between the extent of land cultivated for tobacco in Bavaria, and that so cultivated in the whole of the Zollverein.

Consequently, and presuming that that proportion be maintained for the future, Bavaria will contribute one-fifth, or 20 per cent., towards the sum total to be paid to the Customs Union Exchequer for tax, or the tobacco lands of the whole union. But the population of Bavaria, which forms the basis for the apportionment of her share in the aggregate net receipts of the Customs Union Exchequer, constitutes only about 13 per cent. of the entire population of the Zollverein territory. It is evident, therefore, that Bavaria, whilst paying 20 per cent. of the gross produce of the tobacco-tax, will only receive back, as her share, about 13 per cent. of its net produce, and thus be a loser to the extent of about 7 per cent. of the amount actually paid by the country on account of the tax; the only advantage to be derived by Bavaria as a set-off against this loss, being the abolition (as a natural consequence of the creation of a tobacco tax common to the whole Union) of the duty of about 2*s.* per English cwt. hitherto levied on all tobacco entering the Prussian dominions from Bavaria or other States of Southern

Germany in which the cultivation of tobacco was free; that duty having been imposed, I should state, as a protection to the tobacco growers of Prussia, in which country an Excise-tax (levied for account of the Prussian, and not of the general Zollverein Exchequer) has for years past (since 1828) been imposed on land devoted to the cultivation of tobacco.

This Prussian tax, it may be well to mention, was levied on the following system. The land to be planted with tobacco was officially surveyed (in the same manner as all other cultivated land) and classed, according to its estimated degree of productiveness, as land of the 1st, 2nd, 3rd, and 4th quality. It was then taxed at the rate of 6, 5, 4, or 3 silver-groschen for every 6 square rods, according to its quality (6 silver-groschen per 6 square Prussian rods, are equal to about 28*s.* per English acre).

In considering the probable effects, as regards Bavaria, of the creation of an uniform tax applicable to the tobacco lands of the whole Customs Union, it is to be borne in mind that that measure—whatever may be said for or against it—was not the result of any proposal emanating from Bavaria, where, it is scarcely necessary to state, all parties concerned were quite satisfied with the state of things hitherto existing in regard to the cultivation of tobacco; but that it formed one of the indispensible conditions laid down at Berlin after the campaign of 1866, for the renewal, as between the North German Confederation and the several States of Southern Germany, of the Convention on which the constitution of the Zollverein rested; and that Bavaria had no choice in the matter but to accept the conditions exacted or to submit to exclusion from the Customs Union.

It may, perhaps, not be uninteresting here to record the opinion, with respect to the least objectionable form to be given to the proposed uniform tobacco-tax and its probable effects on the interest of the Palatinate, as expressed by the Chamber of Commerce of that province, in its annual Report addressed to the King in the month of February last, when the introduction of the measure in question had already been established by the conclusion of the Berlin Convention, but when the mode in which it was to be imposed had not yet been decided.

The following is a translation of that portion of the Report which refers to the question of the tobacco-tax :—

"The imposition of an uniform tax on all tobacco

grown within the limits of the German Customs Union having been decided by paragraph 4 of Article III or the Convention (since ratified) of July 8th, 1867, between Bavaria, Wurtemberg, Baden, Hesse, and the North German Confederation, for the reconstitution of the German Customs and Commercial Union, it now only remains carefully to examine the various suggestions which have been made with reference to the mode of imposing this tax, and to advocate that proposal which may appear the least calculated to interfere with the home cultivation or the consumption of tobacco, and which at the same time offers the largest measure of freedom to the trade in, and manufacture of that Article.

"The introduction of a system of tobacco monoply in Germany is evidently not desired in any quarter . . . Against the proposal of a tax to be levied on tobacco according to weight (though in theory, perhaps the most desirable), there is the great objection of the expensive system of control, and the facility for fraud, which it would involve.

"A duty on the manufacture is not to be contemplated, as it would have the effect of destroying one of our most flourishing branches of industry, and would likewise open the door to fraud or evasion. In a country like the Palatinate, where the inhabitant of the smallest cottage is often a cigar manufacturer, the application of such a tax would be next to an impossibility. As little is to be said in favour of a consumption tax, for this, whilst seriously diminishing consumption, would promote smuggling, and render necessary an inquisitorial species of supervision.

"The only form then in favour of which we can express an opinion is that of a tax on production; that is to say, a tax moderate in amount such as that which is now levied in Prussia.

"The generalization of the Prussian tobacco-tax would not, in our opinion, have the effect of seriously diminishing the cultivation of tobacco, and Southern Germany would be thereby relieved from the troublesome and onerous 'transition dues'* on tobacco, whilst one step more would be made towards complete freedom of commercial intercourse in Germany.

"Even a somewhat higher tax on the cultivation of

* The duty already referred to as being levied in Prussia and in other North-German States on tobacco brought from Southern Germany.

tobacco than that levied in Prussia would not injure the home cultivation, if only it were to be remitted in part or entirely in the case of failure of the crop, and if the import duty on foreign tobacco, on tobacco-stalks, and on cigars were adequately increased; and lastly, if an equitable amount of drawback were allowed on the exportation of native tobacco to foreign countries.

"The maintenance of the cultivation of tobacco is a question of the first importance to our very numerous class of small landed proprietors and farmers, who cannot compete with the large exporting countries in the production of grain, but who under the present improved conditions of the cultivation of tobacco, especially as regards the quality of the produce, find a profitable means of employing their own labour and that of their families in that branch of agriculture."

The law ultimately passed by the Customs Parliament for the imposition of the tax was framed very much in accordance with the general views thus expressed, as will have been seen by the sketch already given of the provisions of that law. But in one important respect it fell short of them, namely, that with reference to the desired "adequate increase" in the duty on tobacco imported from foreign countries, as no alteration in that sense was made in the Zollverein Tariff of Duties by the Customs Parliament when it voted the law imposing the tax on home-grown tobacco.

The duties payable on the importation of foreign tobacco into the Zollverein are at present as follows:—

	Per Zoll. cwt. Pr. dols.*
On manufactured leaves or stalks	4
Manufactured tobacco, for smoking	11
Cigars and snuff	20

I understand, however, that a proposal to increase the duties in question will probably be brought before the Customs Parliament by the representatives from Southern Germany when it next assembles; but no time is as yet fixed for the next meeting of that body.

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* The Prussian dollar is equal to 3*s*. The Zoll. cwt. weighs 110¼ lbs. avoirdupois.

Operation of the Law abolishing the Government Monopoly in Salt in Bavaria, and establishing a fixed Excise Duty on the Manufacture of Salt.

The law passed last autumn by the Bavarian Chambers in conformity with the requirements of one of the Articles of the Convention of Berlin of July 8, 1867, already referred to for the abolition of the salt monopoly and the imposition of an excise duty at the rate of 3½ florins per Zollverein cwt. (equal to 5*s.* 9*d.* per cwt. avoirdupois) on salt manufactured in Bavaria, came into operation on the 1st of January of the present year.

As I explained in my Report of December 1867, the provisions of the Berlin Convention in regard to the taxation of salt applied to all the States of the Zollverein, and simultaneously with the introduction of the new Excise duty in Bavaria, as one of those States, it was introduced in all the others.

This duty, like the tax on the growth of tobacco, the nature of which I have just described, is an universal Customs Union Tax, levied for account of the Zollverein Exchequer, the produce of which is apportioned in the same manner as the receipts from Customs, &c., amongst the several States of the Customs Union, on the basis of the population of each as ascertained by the census which is taken, with a view to the apportionment in question, on the 31st of December of every third year.

According to a Provisional Return lately published by the Central Office of the Administration of the Zollverein, the quantity of home-made fine salt on which Excise duty was paid in the several States of the Union during the first six months of the operation of the new enactment, namely, from the 1st of January to the 30th of June of the present year, was 2,353,433 Zollverein cwts.,* exclusive of rough salt used for cattle-feeding, &c., on which no duty is paid.

These figures which may be assumed as representing the total quantity of salt manufactured in the Zollverein, and actually sold for consumption during the six months in question, show a considerable falling off as compared with the ascertained consumption of previous years, the

* The Zoll. cwt. weighs 1¾ lbs. less than the English cwt., viz., 110¼ lbs. avoirdupois.

average amount of German salt sold within the limits of the Zollverein during each of the three years from 1864 to 1866 inclusive, being returned as 5,797,837 Zollverein cwts., or at the rate of 2,898,918 Zollverein cwts. for six months. The diminution during the first six months of the present year, would therefore be equal to 545,485 Zollverein cwts., as compared with the average consumption of the three previous years.

This falling-off is the more remarkable, that when the system now introduced in Southern Germany with regard to salt was first proposed, one of the chief arguments brought forward in its favour, by those who supported it, was that as under that system—which abolished monopolies and imposed an uniform duty—the traffic in salt would be perfectly free from one end of the Zollverein to the other, a considerable increase in the consumption of this article, more particularly in the States of Northern Germany, was confidently to be expected, especially as a reduction in the price of salt in the Zollverein States generally was also looked forward to as one of the effects of the introduction of the new system.

The latter result does certainly not appear to have as yet manifested itself, so far at least as Bavaria itself is concerned; but it of course still remains to be seen, both as regards this point and the question of consumption, how far the results of the new system may, in the long run, prove the same as those experienced during the first six months of its existence.

As regards the details of the Return for those six months, the following list shows the quantity of salt manufactured, and on which Excise duty was paid, during that period in each of the several States of the Zollverein, the aggregate making up the total of 2,353,433 Zollverein cwts. already referred to.

	Zoll. cwt.
In Prussia (including the newly-annexed States)	1,480,112
Saxony	101,338
Hesse Darmstadt (Upper)	35,508
The Thuringian Duchies	101,862
Brunswick	25,504
Oldenburg	6,289
Bavaria	383,278
Wurtemberg	101,497
Baden	72,216
Hesse Darmstadt (Lower)	45,829
Luxemburg	None.

Thus the six States, or groups of States (the first six on the foregoing list), composing the North German Confederation, paid duty on 1,750,613 Zollverein cwts., or about 74½ per cent. of the total; and the four States of Southern Germany on 602,820 Zollverein cwts., or about 25½ per cent.

This Return, so far as it goes, shows a marked diminution in the production of salt in Bavaria as compared with that of former years, the average quantity of fine salt manufactured in this country under the Government monopoly having been at the rate of about 900,000 Zollverein cwts. in the course of the year, or 450,000 Zollverein cwts. in six months; whereas, during the first six months of the present year, the quantity returned, according to the foregoing statement, as having paid Excise duty under the new system is only 383,278 Zollverein cwts. But this diminution, as the immediate effect of the operation of the new law, is no doubt in a great measure to be accounted for by the fact that one of the first results of the change of system was the abandonment by the Government of the smaller salt works at Kissengen and Türkheim. These establishments had never been in themselves profitable undertakings, even under the monopoly, and had been kept up rather as part of a general system extending over the whole kingdom, and with a view to giving employment to the inhabitants in the neighbourhood of certain salt springs, than for the sake of the advantages which the exchequer derived from them. And, as under the change of system, it appeared only possible to maintain them at a positive sacrifice, the Government decided on closing them altogether, and for the future confining the manufacture of salt exclusively to the great works of Reichenhall, Berchtesgaden, and Rosenheim. The latter have, however, I am assured, been in quite as full work since the change of system was introduced, as under the Government monopoly, and it appears probable that the extent of their operations will be increased rather than diminished.

The gross amount received by the Zollverein exchequer from Excise duty on the above-mentioned 2,353,433 Zollverein cwts. of salt manufactured in the several States of the Union during the first six months of the present year is returned as 4,701,126 Prussian dollars,* which sum

* The Prussian dollar is worth, as nearly as possible, 3*s*. sterling.

was collected in the several States of the Customs Union in the following proportions :—

	Prussian Dollars.
In Prussia	2,938,679
Saxony, Brunswick, and the other States constituting the North-German Confederation .	556,809
Bavaria	766,555
Wurtemberg	202,994
Baden	144,431
Hesse Darmstadt (Lower)	91,658
Total	4,701,126

After deducting from this amount the sum of 28,565 Prussian dollars for salaries paid to the Zollverein inspectors and receivers at the various saltworks, and for other expenses attendant on the collection of the duty, there remained to be divided amongst the several States of the Union a net sum of 4,672,561 Prussian dollars, which, on the basis of the population as ascertained at the last census (December 1867), would be apportioned as follows :—

	Prussian Dollars.
To Prussia and the other States of the North-German Confederation	3,568,073
Bavaria	606,017
Wurtemberg	221,590
Baden	180,479
Hesse (Lower)	70,676
Luxemberg	25,726

Assuming, therefore, that the state of things shown by the foregoing Returns with respect to the extent of the salt manufacture and the produce of the new Excise-tax should be maintained during the second half of this, the first year of the new system, the sum total to be received from the Zollverein exchequer by Bavaria, as her share in the net produce of that tax for the whole of the year 1868, will be 1,212,034 Prussian dollars, or 2, 121,059 Bavarian florins. To this sum must be added, in order to arrive at the total amount of revenue to be derived by Bavaria from salt, a further sum of about 200,000 florins, which is estimated as the probable amount to be realized by the Government as profit on the actual working of the salt manufactories during the year. This would give as net receipts from the Salt Department a total of about 2,321,060 florins, or 193,422*l.* sterling.

Under the previously existing system of a government

monopoly, the net revenue derived by the Bavarian exchequer from the manufacture and sale of salt amounted on an average to about 3,300,000 florins, or 275,000*l.* sterling.

The state of things therefore, so far as Bavaria is concerned under the new system, and taking as a basis the results of the working of that system during the first six months of its existence, would be as follows:—

Firstly, looking at the question as one of general national economy, whilst Bavaria would contribute to the receipts of the Zollverein exchequer in the form of Excise duty on the salt manufactured in the kingdom, a sum, 1,533,110 Prussian dollars, or 2,682,942 florins annually, she would only receive back from the Zollverein, as her share of the total annual net produce of the Excise duty on salt manufactured within the whole of the Zollverein territory, the sum of 1,212,034 Prussian dollars, or 2,121,059 florins, the balance against Bavaria, amounting consequently to 561,883 florins, or 46,824*l.* sterling on the account for the year.

Secondly, looking at the matter merely from the point of view of the Bavarian exchequer, the total net amount of annual revenue to be derived from salt under the new system would, as already stated, be about 2,321,060 florins, or 193,422*l.* sterling, whilst the average net receipts under the monopoly were 3,300,000 florins, or 275,000*l.*, the annual loss under the new arrangement being, therefore, about 81,578*l.* sterling, or at the rate of little short of 30 per cent.

However, for the present, and until the practical results of the working of the new system shall have been more thoroughly ascertained than is possible within so short a period as six months after its introduction, the foregoing calculations must naturally be, to a great extent, speculative.

As already stated, the reduction in the price of refined salt which had been anticipated as one of the results of the abolition of the Government monopoly, has not yet occurred in Bavaria; at least, not as regards the retail trade. But I am informed that considerable quantities of a coarse quality and bad colour have found their way into Bavaria from Northern Germany since the new law came into force, and that this salt is sold at a lower price than that produced in Bavaria. But if price and quality be taken together, it would not appear that the northern salt is in reality at all the cheaper of the two, as Bavarian salt

has always been remarkable for its purity and fine white colour.

On the other hand a considerable reduction has taken place in the price of the coarse description of salt used for cattle-feeding, for manure, &c., which, as I have already mentioned, is exempt from Excise duty under the new law. The retail rate for salt of that kind has fallen, I am informed, in this part of Bavaria from 2 florins to 1 florin 12 kreutzers per Zollverein cwt., or at the rate of 40 per ent., and this is represented as being a valuable boon to the agricultural interests of this country.

With a view to guarding against the possibility of cattle-salt being employed for human consumption, a regulation was issued last July by the Federal Council of the Zollverein, in accordance with which all salt of this description must be mixed, before being offered for sale in any State of the Union, with 1 per cent. of wormwood leaves dried and powdered, and a $\frac{1}{4}$ per cent. of iron rust; or 2 per cent. of chopped hay, and a $\frac{1}{4}$ per cent. of wormwood may be substituted for 1 per cent. of the latter. But rock salt, when used for cattle-feeding, must be mixed with not less than $\frac{1}{2}$ per cent. of wormwood.

Rough salt employed in industrial processes must contain an admixture of 11 per cent. of crystallized Glauber-salt, or of any other denaturalizing ingredient which may be suggested by the manufacturer employing the salt, provided that ingredient be approved by the proper authority.

Hitherto, the coarse descriptions of salt have not formed an important element in the produce of the salt-works of Bavaria, the average quantity manufactured in the course of the year having been only about 70,000 Zollverein cwts., representing a value, at the place of manufacture, of about 60,000 florins, or 5,000*l.* sterling.

Under the reduced Tariff of prices the demand, and consequently the manufacture of salt of this kind, may be expected to increase.

Population of Bavaria.

In accordance with the regulations of the Zollverein, the usual triennial census of the population of each of the several States composing the Union, was taken on the 3rd of December of last year (1867): and a Return showing

the results as regards Bavaria, has recently been published by the Statistical Department of this country. According to that Return the entire population of the Bavarian Kingdom consisted, on the day in question, of 4,824,421 souls.

The previous census, taken on the corresponding day of the year 1864, showed a population of 4,807,440.

The increase during the three years ended December 1867, was consequently 16,981 souls.

But it is to be remembered that during that interval the war of 1866 took place in Germany, and that, in accordance with the conditions of the Treaty of Peace concluded in the month of August of that year, Bavaria was constrained to cede to Prussia a portion of territory situated at the north-western extremity of the State—chiefly in the Province of Lower Franconia—which contained, at the date of the cession, a population of 32,925 individuals.

In order, therefore, to estimate fairly the rate of increase during the three years in question, it would be necessary to assume as still forming part of the population in December 1867, the 32,925 persons inhabiting the ceded territory, these having been included in the census Return of December 1864.

This would give a total population on the 3rd of December, 1867, of 4,857,346 (without making allowance for the natural increase of the population of the territory ceded between the date of the cession and the end of the following year), and would show, as compared with the Returns of the census taken in December 1864, a total augmentation of 49,906 souls, being at the rate of rather more than 1 per cent., which, though falling very far short of the rate at which the population increased during the previous three years (1861 to 1864); and even during the two preceding periods of three years, viz., 1855 to 1858, and 1858 to 1861, is rather above the usual triennial rate of increase since the year 1834, the date at which the first census was taken in Bavaria under the Zollverein regulations.

But the sacrifice of Bavarian territory had the effect of reducing the positive increase during the three years ended December 1867, to 16,981 persons, as already stated, or to barely one-third per cent. in the aggregate, this being the lowest rate at which the population increased

during any triennial period between the years 1834 and 1867—with the exception of the two periods from 1846 to 1849, and from 1852 to 1855—as is shown by the following Return of each census taken in Bavaria since the introduction of the triennial system :—

Year of Census.	Population.		
1834	4,246,779	..	
1837	4,315,468	Increase	68,689
1840	4,370,974	„	55,506
1843	4,440,327	„	69,353
1846	4,504 874	„	64,547
1849	4,520,751	„	15,877
1852	4,559,452	„	38,701
1855	4,541,556	Decrease	17,896
1858	4,615,748	Increase	74,192
1861	4,689,837	„	74,089
1864	4,807,440	„	117,603
1867 .. .	4,824,421	„	16,981

It will be seen that great fluctuations occurred during these thirty-three years with reference to the growth of the population, for whilst the Returns for 1864 shows an increase of 117,603 souls, as compared with that for 1861 (the largest on record for any one period of three years), there was actually a decrease of 17,896 inhabitants between the years 1852 and 1855.

It would appear that these variations are to be attributed chiefly to the greater or lesser extent to which emigration has been carried at different periods.

According to an official statement, the total number of emigrants who left Bavaria with the knowledge and sanction of the Government, during the thirty-three years from 1834 to 1867, was 273,000; but this falls far short of the number of persons who actually quitted the country during that period ; as it is well known that every year numbers of individuals emigrate secretly to America—that is to say without obtaining the permission of the proper authority, as required by law; and to these must be added the long list of those who, without meditating permanent emigration, leave Bavaria to seek employment in foreign countries, especially in France and England, and who never return.

The population of the kingdom having been 4,246,779 in 1834, and 4,824,421 in 1867, the aggregate increase in

thirty-three years was 577,642; and the number of persons who emigrated from Bavaria during that period with the permission of the Government having been 273,000, it follows that the authorized emigration alone was, to the aggregate increase of the population, in the proportion of very nearly 1 to 2.

During a great part of the period between December 1864 and December 1867, there were causes in operation which would account for a sufficiently increased rate of emigration, both authorized and unauthorized, to explain the relatively small growth of the population (even such as it would have been had no portion of territory been ceded) during those three years, as compared with the average increase during the three preceding triennial periods. Those causes were, firstly, the cessation of the war in America, which attracted emigrants to that country in greater numbers than usual; and, secondly, the outbreak of war in Germany, which is well known to have caused an extensive clandestine emigration of men from Bavaria, anxious to avoid the increased recruitment which the requirements of the army rendered necessary. To these must be added those who lost their lives during the campaign; and, lastly, it is necessary to take into account the check given to the natural increase of the population by the disturbance of a regular condition of affairs, and the injury to the general prosperity of the country which could not fail to result from a struggle such as that which occurred in Germany in the year 1866, and from the effects of which Bavaria was so severe a sufferer.

As regards the details of the census taken on the 3rd of December, 1867, the official return shows that the entire population of the kingdom consisted of—

Men and youths above the age of 14 ..	1,697,722
Women and girls above the age of 14 ..	1,755,193
Boys under the age of 14	677,240
Girls „	694,266

Of the total population, consequently, 2,374,962 persons belonged to the male, and 2,449,459 to the female sex: the latter exceeding the former by 74,497.

I annex Tables showing:—

1. The male and female population, above or below the age of 14, in each of the eight provinces of Bavaria, and a comparison between the total population of each province in December 1867 and December 1864.

2. The population of each province, classified according to religious confession, in 1867.

3. The population of the principal towns of Bavaria in 1867 and 1864.

By the first of these Tables it will be seen that the population of the Province of Lower Franconia, which numbered 617,819 souls according to the census of 1864, was reduced to 584,972 in 1867. This diminution is simply the result of the cession, already referred to, of a portion of the province in question to Prussia after the campaign of 1866. Each of the other seven provinces of Bavaria, it will be observed, show an increase of population since 1864.

Taking an average of the whole Bavarian territory, such as it existed in December 1867, the number of inhabitants to each German square mile* was 3,503. In each province, separately, it was as follows:—

Rhenish Palatinate	5,806
Central Franconia	4,224
Upper Franconia	4,209
Lower Franconia	3,849
Swabia	3,394
Lower Bavaria	3,040
Upper Pfalz	2,799
Upper Bavaria	2,673

The population of Bavaria appears to have varied very little, as regards the proportion between Catholics and Protestants, during the last quarter of a century or more; but the number of Jews has diminished considerably, and there has been a slight decrease in the proportion of Anabaptists, German Catholics, Greeks, &c. Thus, according to a Table annexed to the official Returns of the Census of last year, there were in the year 1840 to every 1,000 inhabitants,

Catholics	710·79
Protestants (Lutherans, Calvanists, &c.)	274·52
Jews	13·58
Anabaptists, Greeks, &c.	1·11

whilst in 1867 the numbers were—

Catholics	712·94
Protestants	275·73
Jews	10·33
Anabaptists, &c.	1

* One German mile is equal to $4\frac{611}{1000}$ English miles.

In none of the larger towns of Bavaria did any great increase of population take place between the years 1864 and 1867. The most considerable is that shown by the Return from the principal manufacturing, and at the same time chief Protestant, city in the kingdom, viz., Nuremberg, the population of which increased during the three years in question from 70,492 to 77,895.

(No. 1.)—Detailed Return of the Population of each of the Eight Provinces of Bavaria, according to the Census taken on December 3, 1867.

Provinces.	Men and Youths above 14 years of age.	Boys under 14 years old.	Total Males.	Women and Girls above 14 years old.	Girls under 14 years old.	Total Females.	Grand Total, 1867.	Total according to Census of 1864.
Upper Bavaria. (Chief town Munich)	319,389	101,169	420,558	302,219	104,892	407,111	827,669	818,485
Lower Bavaria. (Chief town Landshut)	211,706	80,513	292,219	218,618	83,674	302,292	594,511	583,959
Rhenish Palatinate. (Chief town Spires)	208,876	101,529	310,405	214,335	101,326	315,661	626,066	625,157
Upper Pfalz. (Chief town Ratisbon)	166,870	69,746	236,616	182,627	72,052	254,679	491,295	490,292
Upper Franconia. (Chief town Bayreuth)	177,282	82,621	259,903	191,944	83,213	275,157	535,060	527,647
Central Franconia. (Chief town Nuremberg) . ..	202,592	80,462	283,054	213,460	83,174	296,634	579,688	562,826
Lower Franconia. (Chief town Wurzburg) . ..	198,997	86,003	285,000	212,471	87,501	299,972	584,972	617,819
Swabia. (Chief town Augsburg)	212,010	75,197	287,207	219,519	78,434	297,953	585,160	581,255
Total	1,697,722	677,240	2,374,962	1,755,193	694,266	2,449,459	4,824,421	4,807,440

(No. 2.)—RETURN of the Population, classed according to Religious Persuasion, in each of the Eight Provinces of Bavaria, as shown by the Census of December 1867.

Provinces.	Catholics.	Protestants (Lutherans).	Reformed Protestants (Calvanists, &c.)	Anabaptists, Greeks, German Catholics, &c.	Jews.
Upper Bavaria	798,874	25,858	327	456	2,154
Lower Bavaria	591,205	3,128	9	133	36
Rhenish Palatinate . ..	271,550	338,535	16	2,923	13,042
Upper Pfalz	451,350	38,715	8	177	1,045
Upper Franconia	226,359	304,352	189	31	4,129
Central Franconia	127,561	440,220	983	402	10,522
Lower Franconia	471,318	98,680	173	401	14,400
Swabia	501,321	77,449	1,562	316	4,512
Total	3,439,538	1,326,937	3,267	4,839	49,840

(No. 3.)—RETURN of the Population of the Principal Towns of Bavaria, according to the Census of 1867.

Towns.	Catholics.	Protestants of all denominations.	Jews.	Anabaptists, Greeks, &c.	Total Population, 1867.	Total Population, 1864.
Munich	152,280	16,169	2,097	142	170,688	167,054
Nuremberg	13,892	62,487	1,254	262	77,895	70,492
Augsburg	33,559	16,056	449	3	50,067	49,332
Wurzburg	34,130	6,906	1,099	50	42,185	41,082
Ratisbon	24,446	5,539	359	13	30,357	29,893
Bamberg	21,566	3,687	708	11	25,972	25,240
Fürth	2,520	16,799	3,116	61	22,496	21,054
Bayreuth	3,604	15,515	336	9	19,464	19,208
Ingolstadt	14,121	3,539	21	3	17,684	19,418
Kaiserslautern . ..	..	..	..	..	15,289	13,502
Spires	..	..	..	..	14,806	13,699
Passau	13,555	318	8	2	13,833	13,433
Hof	825	13,572	..	..	14,397	13,146
Landshut	14,044	501	6	3	14,554	12,873
Ansbach	2,157	10,619	239	3	13,018	12,973
Amberg	11,406	888	15	3	12,312	12,039
Erlangen	1,437	10,051	54	4	11,546	11,202
Straubing	11,051	363	4	1	11,419	11,054
Kempten	7,903	3,085	1	9	10,998	10,892
Aschaffenburg . ..	8,977	1,099	204	8	10,288	10,676

Technical Education.

During the last twelve months several important measures have been adopted by the Bavarian Government with a view to the improvement and amplication of the system of technical or special education in this country, in some cases by the re-organization, on an enlarged scale, of institutions already in existence, in others by the establishment of schools of a new character.

The institutions newly organized or created by the Government are the following: the Polytechnic School at Munich; the Industrial Schools at Munich and at Nuremburg; the Art Industrial School at Munich, and the Art Industrial School at Nuremburg; whilst a new Commercial School has been founded at Munich by the Municipality of the town, and a Public School of Art for young women has been established by an association of private individuals also in this capital.

The Polytechnic School at Munich, although bearing the same name as an institution previously existing, is, in reality, an entirely new creation; and it must be considered as the great feature in the new element introduced into the educational system of Bavaria during the year 1868.

The building in which it is established, and which is on a very extensive scale and of noble proportions, has been constructed especially for this purpose by the State. The foundations were laid about three years ago, and the edifice was so far finished during the course of last summer as to admit of the inauguration of the majority of the first year's course of lectures, at the commencement of November last.

This school belongs to the class of "State" or national institutions, and, as such, will be mainly supported out of the public funds. It will henceforth be the only Government school in Bavaria specially designated as "Polytechnic," the two Polytechnic Schools hitherto existing on a comparatively limited scale at Munich and at Nuremburg, having been suppressed, and the greater part of the elements of which they were composed, united, along with some others of a higher class, in the newly created establishment. The number of students to whom the new school is calculated to afford instruction, is about 800. Its organization is entirely that of an University

rather than of a school in the ordinary acceptance of the word; and the intention with which it has been instituted is, that it should, in future, constitute the Great High School or College for Superior Technical and Scientific Education for the whole Kingdom of Bavaria. As indicative, no doubt, of the wish to give this College the outward character of an University, it may be mentioned that the Government has given permission to the students frequenting it to form themselves into "Brotherhoods" or associations, distinguished by the wearing of different coloured caps or badges, in the same manner as is customary at most German Universities. The Government were, I understand, extremely anxious that this new institution should at once take a becoming rank amongst the higher class of Technical Colleges of Europe; and, with a view to this object, have made great efforts, in which they are stated to have been very successful, to secure for it the services of the men enjoying the highest reputation in Bavaria as professors in the various branches of science.

From the progressive character of the plan of studies, as laid down for the successive classes or "courses" of each special division (the details of which are set forth in the translation hereunto annexed of the Organic Regulations of the School), the College will not attain its full development until after the expiration of the first three years of its existence; but, at the very outset, it has received a considerable number of scholars, the total number inscribed at the opening of the schools on the 3rd of November last having been 316. This, I may mention, is seven more than the entire number of scholars who were entered as attending the two Polytechnic Schools of Munich and Nuremberg at the end of the year 1867.

Of the 316 students inscribed at the new Polytechnic School at Munich, 274 are regular students following the complete course of studies, 26 so-called "auditors" or students attending one course of lectures only, and 16 "hospitants" or grown-up persons temporarily admitted to attend certain lectures or practical exercises. Of this total of 316 pupils of all classes, 190 attend the School of Engineering; 60 the section for general Technical Education; 27 the section for Technical Mechanics; 24 the School of Architecture; and 15 the section for

Technical Chemistry, these being the five special departments or sections into which the College is divided. Amongst these 316 pupils there are 43 foreigners (*i.e.*, non-Bavarians), namely, 11 natives of the North German Confederation, or of the States of Southern Germany other than Bavaria; 18 from the Austrian Dominions, including Dalmatia and Hungary; 5 Russians; 3 Swiss; 2 Italians; 2 Norwegians; 1 Englishman; and 1 Roumanian. The total number of candidates for admission as students or "auditors," was 324; but of these 24 were not provided with the necessary certificates as to preliminary attainments, or were unable to pass the prescribed test examination.

I annex a summarized translation of the most important of the "Organic Regulations" of the College, as set forth in the official prospectus.

Next in the order of new educational establishments created by the Government during the year 1868, come the Industrial Schools. They are organized as Public Day-Schools, no accommodation being afforded at them for boarders. In the first instance, two only have been founded, namely, one at Munich and one at Nuremberg; but it is intended, should this first experiment produce satisfactory results, to establish hereafter schools of the same class in some other of the more important cities of Bavaria.

These schools will be maintained partly at the expense of the State and partly by contributions from the provincial or communal funds. Like the "real" or technical gymnasiums, they constitute institutions for middle-class technical education, and take their place immediately above the Trades Schools; but differ in so far from the gymnasiums that, whilst the latter form the regular and recognised connecting link between the Trades Schools and the Polytechnic Schools, the Industrial Schools may be considered rather as independent institutions for scientific and technical education limited within a certain determined sphere. There is also this difference between the general character of the education afforded at the gymnasiums and at the Industrial Schools, that at the former it is principally theoretical rather than practical, whilst, at the latter, it is intended to be more especially practical.

The particular object with which the Industrial Schools have been created is that of raising the standard of educa-

tion amongst the rising generation of the industrial classes by affording them the opportunity of acquiring, at the same time that they receive the necessary practical education in technical matters, a knowledge of theoretical science, which, whilst falling short of that contemplated by the progressive course of study laid down in the programme of the Technical Gymnasiums, as preparatory for that of the Polytechnic School, may be sufficient to enable the middle-class student properly to understand and appreciate the scientific principles of the various industrial processes which he may, in the course of his profession or pursuit, be called upon to direct. The class of persons, with a view to whose education and practical training the new schools have more especially been established, may be described generally as those intending to follow the calling of manufacturers in various branches, masters or managers of chemical works, dyers, tanners, machinists, builders, and skilled artizans of all descriptions: and it is provided that, in addition to the youths regularly entered as scholars, grown persons already exercising a profession or trade, and who are desirous of enlarging the sphere of their theoretical or practical knowledge, may be admitted to the school as "hospitants," to attend any special course of lectures or of practical work. At the same time it also comes within the sphere of the Industrial Schools to afford such preparatory instruction in technical science generally as may qualify scholars who aim at attaining a still higher degree of knowledge in any one particular branch, for admission as "auditors" or temporary students to one of the special classes of the Polytechnic School.

The absolutorial certificate of the upper class of a Trades School, qualifies for admission to the Industrial School; and the student, after having gone through the regular course of training at the latter, and successfully passed his examination at the end of the second year's course, may obtain a definitive certificate of practical competency in regard to the particular industrial pursuit which he may have chosen, in the same manner as the student at the Polytechnic School may receive a definitive certificate or diploma of proficiency in the higher branches of theoretical or practical science.

The two Industrial Schools at Munich and Nuremberg (which are established in the buildings previously occupied

by the old Polytechnic Schools), were opened for the first year's course towards the middle of November last, and the number of scholars inscribed at the former was 57, and at the latter 31.

I append hereunto a sketch of the general Regulations for the Industrial Schools.

The third addition made by the Government to the existing establishments for special education, is the foundation of an Art Industrial School at Munich, similar in its character to that which has for some time past been established at Nuremberg. At the same time the latter school has undergone some alterations with reference to its general organization, the object being to add to its importance, and increase its sphere of action. With this view the teachers employed are, for the future, to have the rank of Professors, and are to be remunerated accordingly; and the alterations thus introduced are to be applied to the new school at Munich.

A copy of the Regulations of the Art Industrial School at Nuremberg accompanied my Report on Technical Education in Bavaria, of December 1867. It is, therefore, unnecessary for me to enter into details respecting them on this occasion.

The new Commercial School, founded at Munich in the course of last summer is, as already stated, a municipal institution, supported, in so far as its own revenues may be insufficient to meet its outgoings from the communal funds. It has, however, been endowed from an unexpected source, with a considerable fund of its own, the "Gremium," or Administrative Council of the various Trade Corporations hitherto existing in Munich, having, on the abolition of the system of Trade Corporations in Bavaria, in conformity with the law passed last year, and the consequent dissolution of the Council itself, resolved, by an unanimous vote, to make over to the municipality of Munich, for the use of the new school, the entire sum of money, amounting to about 2,800*l.* sterling, which remained in their hands as the common fund of the various Corporations.

The school is open to scholars of all religious confessions recognised by law, and is a public day-school. It consists of three classes or "courses," and one preliminary

course: the latter for the preparation, in case of need, of pupils not possessing the necessary attainments for admission into the lower of the three regular classes. The course of instruction in each of the latter is intended to be, as a general rule, of one year's duration; the subjects taught, and the time to be devoted per week to each subject in the three successive year's courses being as follows:—

	1st Year's Course.	2nd Year's Course.	3rd Year's Course.	Preparatory Course.
	Hours per Week.	Hours per Week.	Hours per Week.	Hours per Week.
Religion (according to the creed of the scholar)	1	1	1	2
German language	4	3	2	8
French ditto	5	4	4	3
English dttto	2	4	4	..
Italian ditto	..	3	3	..
Arithmetic	4	4	4	5
Algebra	..	..	2	..
Commercial Science	3	4	4	..
Political Economy	..	..	1	..
Geography	2	2	2	3
History	2	2	2	2
Natural History	3	..	..	3
Physics	..	3	..	..
Chemistry	..	..	3	..
Writing	3	2	2	4
Drawing	2	2	..	2
Stenography	2	1	1	..
Total	33	35	35	32

The school year commences in the first week of October, and ends in the middle of August. Besides the six weeks' vacation thus established, a fortnight's holiday is given at Easter; and the school is closed on Sundays and on all the principal feast days of the Catholic Church.

For admission to the lower of the three courses, the scholar must have completed his twelfth year, and must pass a test examination in all the subjects taught in the upper class of the National Schools (Valks-Schulen).

The charge for tuition is 80 florins (6*l.* 13*s.* 4*d.* sterling) for each of the three yearly courses, and 60 florins (5*l.* sterling) for the preparatory course.

At the end of each year public examinations of the pupils are held, and each pupil receives a testimonial according to his merits.

The Munich School of Art for young women belonging to the middle classes, which was opened on the 1st of

October last, was set on foot by an association of ladies, acting in concert with the Academy of Arts and with the Minister for School Affairs, each of the members of the association undertaking to subscribe a certain amount yearly, or once for all, towards the maintenanc of the school. A sum of 250 florins (20*l.* 16*s.* sterling), was also contributed by the Bavarian Government towards meeting the first expenses of the establishment. The special object of the school is to educate young women for the profession of drawing mistresses, or for that of drawers of designs for manfactures, or as assistants in photographic establishments, &c.

The school is divided into three classes, in each of which drawing is taught; in the first class by copying from plaster ornaments; in the second class from plaster heads and figures; and in the third class from living models.

Theoretical instruction is likewise given during two hours per week, in the history of art, especially with reference to ornamentation; and during one hour per week in perspective.

The hours of attendance at each of the three classes are from 8 to 12 in the morning; and, during the summer, from 4 to 6; during winter, from 2 to 4 in the afternoon.

The charge for admission to the school, irrespective of which of the three classes the pupil may attend, is 3 florins (5*s.*) per month; and, in addition, the expense of employing living models is to be at the charge of the pupils making use of them.

On leaving the school, the pupil receives a testimonial in accordance with the degree of proficiency attained.

Organic Regulations for the Polytechnic School at Munich.

General Organization.

The school consists of five different divisions or sections, viz. :—

1. The general school for the study of mathematics and the natural sciences, and for the acquirements generally of such theoretical scientific attainments as form the necessary

preparation for entering upon special technical studies; likewise for the education of persons desiring to qualify themselves as professors of the sciences in question.

2. The School of Engineering as applied to the construction of buildings, and to works connected with the cultivation of the soil.

3. The School of Architecture and Building.

4. The Technical School of Machinery.

5. The School of Technical Chemistry.

Instruction is given at the Polytechnic School by means of lectures, repetitions, graphic and constructive exercises, practical work in the laboratories and on out-door excursions.

It extends generally to the following subjects:—

1. *Mathematical Sciences.*—Plane and spherical trigonometry; algebraical and higher analysis; rules of probabilities, and their application; analytical and descriptive geometry, with their application; elements of astronomy; geodesis and practical geometry; analytical, technical, and elementary mechanics.

2. *Natural Sciences.*—Experimental physics; mathematical and applied physics; general and experimental chemistry; analytical chemistry; mineralogy (geognosis) and geology; botany and zoology.

3. *Building and Engineering Sciences.*—Knowledge of building materials; graphic statistics; knowledge of the construction of buildings, of house-building, of farm-buildings and manufactories; pyrotechnics (heating and lighting); sanitary conditions, with respect to buildings; construction of roads, railways, bridges, and canals; plans and estimates for buildings; agricultural engineering; the different styles of building; history of architecture.

4. *Mechanical Sciences.*—Mechanical technology; knowledge of machinery; theory of machinery; planning and construction of machinery; estimates of cost of constructing and working machinery.

5. *Chemical Sciences.*—Practical chemistry; chemical technology; metallurgy; chemical preparations; estimate of cost of existing, as compared with new methods of chemical manufacture.

6. *Drawing.*—Free-hand drawing (ornaments, figures, and landscapes); linear drawings (buildings and machinery); topographical drawing; modelling and embossing.

7. *General Science.*—History of German and of

universal literature; history of civilization; æsthetics and history of art; constitutional and administrative law; political economy; statistics, commercial law, and law of exchange; commercial geography; and the history of commerce.

A special plan setting forth the division of the studies in the foregoing branches of science for each of the several sections is to be drawn up by the professors of the school every year, and made public.

At the commencement of each half-year a list is to be published of all the lectures and exercises to be held during the course of that half-year; such list to be drawn up by the Committees of Professors of the several sections of the school, and to be submitted to the Minister of Commerce for approval.

The scholastic year is to begin on the 15th of October, and end on the 15th of August of the following year. Besides the vacation of two months thus established, a holiday of a week's duration is to be given at Christmas, and of a fortnight at Easter.

Within certain rules and restrictions, both the professors and the students of the school will be allowed to avail themselves of the use of all the scientific collections belonging to the State.

Professors and Teachers.

The masters at the Polytechnic School are to be styled "professors," and the instructors charged with the direction of special practical exercises, &c., "teachers" or "assistants."

Men of distinguished scientific attainments who are not formally engaged as professers, may also be employed to give lectures at the Polytechnical School, and in their relations to the School will, under such circumstances, have the same position as professors, but will take no part in the deliberations of the Council or Committee of Professors, unless specially invited to do so.

The professors are "servants of the State," and are divided into two classes, namely, "ordinary" and "extraordinary." The former have in the hierarchy of the Civil Service of the State, the rank of "collegiate counsellors," the latter that of "collegiate assessors."

The salary of each professor will be determined by

special decree on his appointment; his rights and duties as a civil servant are those set forth in the general regulations for the public service.

In addition to their regular duties in the lecture-rooms, &c., of the school, the professors are required to hold a general meeting, at least three times during each half-year, of all the students attending their class for the purpose of personal intercourse and conversation with them; and at the end of the half-year must deliver to each student a testimonial based upon the result of such conversations, as well as of the professor's personal observation of the students during their scientific labours, in which his opinion as to the progress made by the student during the half-year is to be set forth, such certificate to be drawn up in accordance with a prescribed form.

The teachers and assistants are to be engaged according to the requirements of the school, and for short or long periods as may appear necessary.

Competent persons may be admitted on the proposal of the directors of the school, and with the approbation of the Minister of Commerce, as "private teachers;" they will, however, have no claim to a salary, but will receive the same fees for their lectures as the regular professors.

Direction of the School.

The management of the Polytechnic School is vested in a Directing Body, styled a "Directory." It consists of a Director and of the President, or Head, of each of the five sections of the school. There is besides a Council of the Masters of each section, and the General Council of the Masters of the whole school.

The Director is appointed by the King, who fixes the period during which he shall hold the office. He is, whilst in office, to have the rank of a "Collegiate Director."

The Director is the organ of communication between the school and the Government. He has the chief supervision over the mode in which the funds of the institution are expended; over all matters concerning the duties of the professors, &c.; but he has no disciplinary powers as regards the professors, beyond reminding them of their duties, or making representations respecting them to the Minister. He decides on all applications for admission as students, &c.; maintains the general discipline of the

school, &c.; organizes, and has the supreme direction of the examinations for admission, or for the "absolutorium," or for obtaining a diploma. He calls together and presides over the Directory, and draws up every year, for presentation to the Minister, a Report on the proceedings and general condition of the institution. Finally, he has the supervision of the school as well as of all collections belonging to it.

Each of the five sections of the Polytechnic School has a President, named in the first instance by the King, for the term of three years. After the expiration of that term, he will be chosen by the professors of each section from amongst their body; but the election must be confirmed by the King. The Presidents of sections have to direct the studies and watch over the discipline of their section; to advise and warn the students with reference to their conduct and mode of life out of the school; and in case of need to communicate with parents or guardians; to call together and preside over the Council of Professors, and to make proposals to them with reference to changes or improvements in the plan of studies of the section. To report their decisions to the Director, and to enforce their observance.

The "Directory" is charged with carrying into effect the rules and regulations for the general management of the institution, with the consideration of all matters concerning the studies, discipline, &c., of the whole school, and with drawing up, for presentation to the Minister, of proposals with regard to such matters.

The Council of Professors of each section is to consist of all the professors formally appointed to, and who teach in, that section. The Director of the School has a right to be present at the sittings of the Council, but when not actually a member of the Council, has only a deliberative voice in it.

The duties of the Council of each section are:—

To choose its President; to draw up the plan of study of the section; to decide on the order in which the lectures, &c., are to be held; to fix the amount of the fees (which must, however, be approved by the Minister) to be paid for participation in the exercises in the laboratories; to report on applications for stipends made by students; to examine candidates for admission, as well as students desirous of obtaining an "absolutorium" or diploma, and to report to

the Directory the result of these examinations; to determine the prize tasks, and to decide as to the successful candidates; to report on applications for admission as "private teachers" at the School; to draw up the yearly estimate of the expenditure for the section; to decide on such cases of infraction of discipline as may come within the competency of the Council of the section; to draw up and present to the Directory a yearly Report on the scientific progress and general conduct of the students of the section; to suggest to the Directory changes or improvements with respect to the course of study, &c. The Council must meet at least twice during each half-year.

The "General Council of Masters" consists of the whole body of professors of the School. It is presided over by the Director. It meets at the commencement and at the end of each half-yearly term, or more frequently, on the demand of the Minister or of one-third of the whole number of professors. It is the special duty of the "General Council" to do their utmost by means of an active co-operation and interchange of ideas one with the other, to promote the great purpose and object of the institution, viz., that of affording such complete theoretical-scientific education as may best qualify the students for exercising a technical profession.

The decision of the following points belongs to the General Council of Masters:—

The organization of the general system of lectures, &c., on the basis of the programmes presented by the Councils of the several Sections;

The regulations respecting the hours of study, and the excursions of the students;

The amount of the general estimate of expenditure in view of the several estimates drawn up by the Councils of the Sections;

The award of disciplinary punishments;

The withdrawal of stipends, and the expulsion of students.

In all other matters the decision rests with the Minister of Commerce.

Admission of Students.

Candidates for admission to the Polytechnic School must have completed their 17th year, must give proof that they have acquired the necessary preliminary attain-

ments, and that their moral conduct has been good; and, in the case of those candidates who are not of age, the assent of the parents or guardians will be required. Candidates for admission who have obtained the "absolutorium" of a technical or Latin gymnasium, or who hold a certificate as having completed their course of studies at the School of Cadets, or at one of the Middle-Class Technical Schools of Bavaria, or foreigners who can produce satisfactory proof of having attended a school of superior technical education abroad, may be admitted without further examination to the first year's class ("course") of the Polytechnic School. Those students who are not qualified in the manner above described must, before their admission, pass an examination in all those branches of education which are taught at the institutions above enumerated. For admission into one of the upper classes, a higher description of examination must be passed. The certificate of good moral conduct to be presented by the candidate must emanate from the competent civil authority, or from the authorities of the school which he last attended. After passing the necessary examination, the candidate will receive a card of admission for which he will pay, once for all, an entrance fee of 5 florins (8*s*. 4*d*. sterling). This card will give him a right to participate in the complete course of study of the institution.

Students wishing to follow only one particular branch of study, can obtain permission from the Director to attend as "auditors," on giving proof of proper preliminary attainments, of having completed their 17th year, of having been of good moral conduct, and on payment of the entrance fee as above described.

Grown-up persons of respectability may be admitted to attend any single course of lectures as "hospitants," on payment of the usual fee for attending such.

The "honorarium" to be paid to the professors by regular students, "auditors" or "hospitants," are as follows:—for a half-year's course of lectures, each of one hour's duration, 1 florin, and in the same proportion for lectures lasting more than one hour; for exercises of all descriptions lasting one hour, half a florin for the half-year for each course; and in the same ratio if longer than one hour.

For participation in the practical work of the laboratory a special tariff of fees will be established.

There is no exemption from the payment of entrance, lecture, or other fees; but a fund will be formed by the retention of one-quarter of the fees payable by the students to the professors for attendance at lectures, &c., such fund to be called the "Stipend Fund for Students at the Polytechnic School," out of which, at the commencement of each half-year, the necessary stipend or subsidy for attending the School is to be awarded to a certain number of native candidates who can produce proper testimony as to their want of means, as well as of good character, and who, from their previous industry, as well as from their intelligence and acquirements, may be considered as the most worthy of the boon. The names of a certain number of such candidates will be submitted by the Director to the Minister of Commerce for his approval.

This special provision does not apply to "auditors" or "hospitants."

Every student at the Polytechnic School is bound to attend during each half-year the prescribed course of lectures, &c., in at least three different branches of special science, or to take part in the labours of the laboratory, or of the halls destined for special branches of practical work, during not less than three hours daily.

Students who on account of illness are prevented for more than three days from attending the School, must make a formal communication to that effect to the President or one of the professors of the Section of the School which they attend.

The testimonials as to progress in learning to be given to the students by the professors at the end of each term are to refer also to the assiduity and regularity with which the student may have attended lectures, &c.

These testimonials are to be of five different degrees, viz.:—

1. Excellent
2. Very good.
3. Good.
4. Middling or sufficient.
5. Inferior.

Any student who does not obtain a testimonial of the fourth degree in at least half of the different branches of science, the course of which he has attended during the half-yearly term, may be refused further attendance. And the professors are required to make a report to the proper

authority of the school as to all students to whom only testimonials of the fourth and fifth degree are delivered at the end of the term.

The disciplinary regulations of the school require on the part of the students—decorous conduct in and out of school; respect and obedience towards the director, professors, &c., regular and assiduous attendance at lectures, &c.; and punctual execution of tasks prescribed at the practical exercises; proper care in the use of the instruments, models, &c.; a notification of the address, and of each change of dwelling of the student; notice to the director of all associations or unions formed by the students amongst themselves; and notice of all ceremonials, torchlight processions, &c., contemplated by the students.

Disciplinary punishments for the infraction of the regulations of the school consist of—Reprimand by the President of the Section; ditto by the General Council of Professors; ditto by the Director; ditto by the Directory; ditto threat of dismissal; withdrawal of stipend; dismissal.

Examinations; Half-yearly and Absolutorial Certificates.

Every student, on leaving the institution, receives a certificate signed by the Director and President of the Section, setting forth the course of lectures and exercises which he has attended; also the class of testimonials received at the half-yearly examinations, and a note respecting his moral conduct.

At the end of each yearly course of study in the engineering, architectural, mechanical, and chemical schools, the student must pass an "absolutorial" examination, in which he must show a complete knowledge of the different subjects taught at the school he has attended.

To take part in this examination he must have attended the entire course of studies laid down as obligatory, and have received testimonials of the class "sufficient" in at least half of the different branches of those studies.

The degree of proficiency in each of the different branches will be classed according to the scale of five different degrees, as in the case of the half-yearly testimonials; and in order to obtain an absolutorial certificate, an average rate of proficiency of the third degree must be attained.

Should a student fail to pass at the first examination,

he may undergo a second after the expiration of a year, but that must be final.

A final "absolutorial" certificate of the first, second, or third degree, combined with a testimonial as to good moral conduct, qualifies the holder to become a candidate for employment in the technical branches of the service of the State, and to take part in the general "State Examination" necessary for admission to office under the Government.

In cases where proof is given of very distinguished attainments in the exact sciences, the Polytechnic School is empowered to confer special diplomas. The holder of a diploma becomes *ipso facto* a "member" of the Polytechnic School, and as such, has a right to attend, free of charge, all lectures held in the institution, to make use (within the limits laid down in the Regulations), of the scientific collections, &c., and to the preference in regard to the appointment of "private teacher" at the school.

A diploma may be awarded by the Directory to any student (on his demand) who has attained the first degree in all the branches in which he has been examined, if, at the same time, his general abilities and scientific attainments be pronounced worthy of special recognition, and his moral conduct irreproachable.

The amount of the fee to be paid on obtaining a diploma will be determined by the Minister of Commerce, in concert with the Directory of the school.

Prize tasks or essays may be instituted for the different sections of the school at the end of each year, and the successful competitors may, provided they have previously obtained their "absolutorial" certificate, be rewarded by an exemption from the payment of the usual fee on the award of a diploma, or by a sum of money.

Every student of the particular section for which the prize is instituted, will be at liberty to compete for it.

The General Council of Professors decide on the merits of the several competitors for the prizes, and make their award accordingly.

Regulations for the Industrial School at Munich and Nuremberg.

General Organization.

The school is divided into four separate sections, each having two "courses" or classes.

The sections consist of—

1. The general section for theoretical scientific instruction, available for all the scholars in common, irrespective of the special technical course which they may be following.

2. The section of technical mechanics, for the training of machinists, constructors of machinery, machine-fitters, foremen of works, machine draughtsmen, &c.

3. The section of technical chemistry, for dyers, manufacturers of colours, soda, chemical acids, glass, &c., for tanners, soap boilers, brewers, &c.

4. The section of architure and building, for architects, master carpenters, house carpenters, constructors of mills, waterworks, drainage works, &c.

The complete course of study at the school is intended, as a general rule, to extend over a period of two years.

The studies in the four several sections embrace the following subjects:—

Theoretical Section.

1*st Class or Course.*—Elementary mathematics and trigonometry; elements of algebraical analysis; descriptive geometry combined with the elements of Analytical geometry; general physics and elementary mechanics; general and special chemistry; mineralogy and geognosis; theory of machinery; free-hand drawing; German language in combination with geography and history; French language; book-keeping in combination with practical arithmetic.

2*nd Course.*—Mathematics (differential and integral calculus); land-surveying and measuring (operations with the chain, staff, prism, measuring table, and spirit level, and with instruments for measuring velocity); descriptive geometry with its application to perspective, to the construction of shadows and to stone-cutting; special physics with reference to their technical application.

Technical and industrial mechanics; free-hand drawing German language in combination with geography and history; English language; theory of exchanges; book-keeping in combination with the fundamental elements of political economy.

Section for Technical Mechanics.

1*st and* 2*nd Course.*—Machine; drawing and the construction of machines; mechanical technology; practical labour in the workshops.

Section for Technical Chemistry.

1*st and* 2*nd Course.*—Chemical technology and technical chemistry; practical work in the chemical laboratory; practical mineralogy.

Section for Architecture and Building.

1*st Course.*—Drawing of ornamental objects; lineal drawing; elements of building; drawing plans for the construction of buildings and drawing ground plans; modelling.

2*nd Course.*—Architecture and knowledge of building materials; practical exercises in building; drawing plans and making estimates of cost of buildings; modelling.

The number of hours of study, inclusive of the time devoted to practical work in the laboratory or workshops, is fixed at not more than from thirty-six to forty per week. As a general rule the lectures, &c., in the theoretical section are to be held in the forenoon; the practical exercises in the afternoon. In view of the considerable number of hours to be passed in study at the school itself, tasks given to the scholars to be performed at home are to be on as limited a scale as possible.

Instruction is given in the form of ordinary and of demonstrative lectures, graphic and constructive exercises, and by means of practical work in the laboratories and workshops, and on excursions to manufactories, to buildings in course of construction, and to works of various descriptions.

The teachers at the industrial schools consist of professors, assistant masters, and assistants, and the practical work is under the direction of special foremen.

The school year begins on the 1st of October and ends on the 8th of August following, with an interval of eight days holidays at Christmas and fourteen days at Easter.

Admission of Scholars.

Candidates for admission to the first course, or class, of the industrial schools must have completed the fifteenth year of their age; those for the second course their sixteenth year. They must have passed successfully the final examination of a trades' school, or must go through the examination prescribed for admission; they must likewise produce testimonials as to good moral conduct.

The scholars are divided into two categories, namely, "ordinary" and "extraordinary." The former must attend the entire course of lectures, &c., as laid down in the plan of studies; the latter only take part in certain special portions thereof.

Grown persons already following a profession or pursuit may be admitted as "hospitants" to the study of one or more special branches of technical science, and without passing any preliminary examination. The charge for admission to the industrial schools is, for "ordinary scholars," 20 florins (1*l.* 13*s.* 4*d.* sterling) for the whole school year, or 12 florins (1*l.* sterling) for a single half-year.

For "extraordinary scholars," or for "hospitants," the charge is half of the foregoing sums, if for the study of one subject only; if for more than one subject, the charge is the same as for "ordinary scholars." There is no exemption on the score of poverty, from the payment of the charge for admission, but poor youths may, in certain cases, and within certain limits, be allowed a stipend from the school funds with which to meet the expenses of attending the school.

In addition to the charges above-mentioned, every "ordinary scholar" must pay an entrance or "inscription" fee of 2 florins (3*s.* 4*d.*), for which he receives a card entitling him to admission to the lecture-rooms, &c. This card he must carry with him, and must produce to any authority of the school when required.

At the end of each half-year a testimonial of proficiency and general conduct is to be given by the master or professor to each scholar, made out according to a scale of

five different degrees, as adopted for certificates given at the Polytechnic School.

At the end of the first year's "course" an examination takes place, and on its being successfully passed, the scholar obtains a certificate of competency to enter upon the second year's course. But this certificate is, as a general rule, only to be granted if the scholar attains an average of not less than the third degree in the scale of proficiency in all the more important subjects comprised in the lower course, and not as low a degree as the fifth, in any one subject. Some latitude, however, is allowed to the examiners in regard to the application of this rule, account being taken of special aptitude on the part of the scholar in any one particular respect, though he may be comparatively deficient in others.

At the close of the second year's course the final or "absolutorial" examination takes place, and certificates are granted under the same rules as those which apply to the first examination; but only "ordinary scholars" who have followed the complete course of studies as laid down in the programme of the school, and who have obtained satisfactory half-yearly testimonials of progress, can be admitted to pass this examination. In the case of failure at either the first or the second examination, a second trial is allowed after the expiration of another year, but that examination is final, and those who do not pass it successfully must leave the school.

In addition to the professional advantages attending the possession of the "absolutorial" certificate of an industrial school, it entitles the holder, under the new military regulations of Bavaria, to the privilege of entering the army as a "one year's service volunteer," that is to say, of taking advantage of the permission given by those regulations to young men of education who are able to pass a certain examination, and who are at the same time able to bear the expense of their own clothing and outfit, to absolve themselves from the ordinary liability to serve for three years as private soldiers by one year's service in the ranks as volunteers.

The industrial schools are placed under the supreme control of the Minister of Commerce, and are managed by a Rector appointed by the King.

The general system of internal organization, as regards the management of the different sections of the school by

a president, chosen from amongst the professors of each section; the composition and functions of the Council of Professors, &c., is guided by much the same rules as those laid down for the Polytechnic School, so far at least as the comparatively limited scale and sphere of action of the industrial schools admit.

(Signed) H. P. FENTON.

United States.

Report by Mr. Ford, Her Majesty's Secretary of Legation, on the Financial Condition of the United States.

Washington, December 31, 1868.

THE official publications recently laid before Congress can hardly be said to present the finances of the United States of America in a very favourable condition.

The resources of the country, however, are so ample, and the character of the people so energetic and industrious, that a suspension of their wonted prosperity can only be regarded as temporary.

Four years have nearly elapsed since the termination of the Civil War; yet the nation is crippled by a colossal debt, and the people are burthened by a harassing load of taxation.

The exports of the country are diminished, and its foreign indebtedness is annually augmented to a very considerable amount.

The credit of the Government has, moreover, been impaired by the phantom of repudiation raised in certain States of the Union; and severe losses have been inflicted on the Treasury through gross dishonesty on the part of its own subordinates in the collection of the taxes.

Stringent reforms have lately been introduced, with a view to preventing a repetition of such unseemly proceedings, which are mainly caused, however, by the defective organization of the civil public service.

Appointments to posts of trust are too frequently made from political considerations, rather than from a regard to the personal fitness of the candidates faithfully to discharge the duties assigned to them.

With regard to the question of repudiation, the insertion of a paragraph in the last Presidential Message to Congress, foreshadowing, indirectly, the expediency of such a policy, afforded that body an opportunity of condemning it by an almost unanimous vote.

An expression of opinion on so important a subject,

and by so important an Assembly, must tend to allay any apprehension existing abroad, lest the national faith of the country should be violated.

The evils of an irredeemable paper currency are keenly felt, and an early resumption of specie payments earnestly desired.

An unhealthy spirit of speculation has crept into the community, and commercial enterprize is disturbed by a constantly fluctuating medium of exchange.

The great injury inflicted on the masses of the people by the inconvertible paper money, at present in circulation, is strongly commented on by the Special Commissioner of the Revenue, in his comprehensive and highly instructive Report.

From carefully studied data he has arrived at the conclusion that the purchasing power of the paper money now in use is not nearly equal to what it was in the immediate ante-war years of 1860–61; and that the working men and women of this country do not receive now as much in return for their labour as they did before the war.

Retrenchment, and economy in the various branches of the Administration will alone improve the financial condition of the country, and pave the way to an early settlement of the debt.

The majority of Americans would appear disposed to endure any amount of sacrifice rather than bequeath a portion of their debt to future generations; but the payment of so large a sum at a short date must of necessity curtail the material comfort of the people, and render obligatory a continuance, for many years to come, of almost war taxes and war prices, and constitute this country, what it is at present, one of the dearest places of residence in the world.

Were 100 or even 200, instead of 20 or 30, years fixed as a basis on which to calculate a period when the whole national debt could be discharged, a corresponding reduction of taxes and a lowering of the Tariff would be practicable, and an immediate and general advantage be derived by the community at large.

The Secretary of the Treasury is desirous of applying an estimated excess of revenue over expenditure to the payment of the principal of the debt.

He calculates the future annual revenue of the country at 60,000,000*l.* sterling, and is of opinion that 50,000,000*l.*

should suffice for its expenditure, thus leaving a surplus of 10,000,000*l.* to be devoted to the gradual extinction of the debt.

On the 1st of April, 1865, the month in which the civil war terminated, the public debt, as officially stated, amounted in round numbers to 474,000,000*l.* sterling.

This sum, however, represented only the *ascertained* amount of the debt at the time, and fell very far short of its real amount.

It excluded items which alone entailed an expenditure of upwards of 120,000,000*l.* sterling, such as back pay and bounties due to soldiers, and bills owing to contractors for stores and supplies.

Stating, then, the public debt of the United States during the summer of 1865 in round numbers at 600,000,000*l.* and its present amount at 500,000,000*l.*, it will be seen that 100,000,000*l.* of it have been paid off since the close of the war.

During last year, however, the gradual reduction of the debt was checked, and a heavy increase over the previous year is shown, mainly owing to the payment of 8,500,000*l.* sterling in aid of the construction of the Pacific Railroad, and of 1,250,000*l.* transferred to the account of the Russian Government for the purchase of Alaska.

The payments made to the Pacific Railway Companies must be regarded in the light of a loan, for which the United States' Government hold a second mortgage upon the railways as security.

The following is a detailed statement of the Public Debt, as published officially on the 1st of December.

In treating of financial matters, two denominations of values are employed in this country—

The paper dollar (currency) and the gold dollar (coin).

The receipts from Customs and the payment of the interest on the National Debt, as also payments made on account of the foreign intercourse of the Government, are made in coin. The other receipts and expenditures are made in paper dollars (currency).

In the present Report, paper dollars (currency) have been converted into their equivalent amounts in English money at the rate of 141, which was the current price of gold during the last fiscal year.

Gold dollars (coin) have been reduced to English money at the rate of 5 dollars to 1*l.*

Statement of the Public Debt of the United States on the 1st of December, 1868.

	£	s.	d.	£	s.	d.
Debt bearing Coin Interest.						
5 Per Cent. Bonds, 10-40's redeemable in 1874	44,317,680	0	0			
6 Per Cent. Bonds, issued in 1861, redeemable in 1881	56,735,460	0	0			
6 Per Cent. Bonds, 5-20's of different issues .	320,514,080	0	0			
				421,567,220	0	0
Debt bearing Currency Interest.						
Certificates at 3 per cent. (deposits by different banks as security for money issued by them)	8,246,808	10	6			
Navy Pension Fund, at 3 per cent. ..	1,985,815	9	6			
				10,232,624	0	0
Matured Debt not presented for Payment.						
3-year 7-30 notes, due August 15, 1867, and June and July, 1868	351,553	0	0			
Compound-interest notes, matured June 10, July 15, August 15, October 15, December 15, 1867, May 15, August 1, September 1 and 15, October 1 and 15, 1868	599,279	5	0			
Bonds: Texas indemnity, consequent on war of 1848	36,312	0	0			
Treasury Notes: Acts July 17, 1861, and prior thereto	21,186	0	0			
Bonds: April 15, 1842; January 28, 1847; and March 31, 1848	61,773	0	0			
Treasury notes, March 3, 1863	63,190	0	0			
Temporary loan	34,490	15	0			
Certificates of indebtedness	1,844	0	0			
				1,169,628	0	0
Debt bearing no Interest.						
United States' notes (greenbacks) ..	50,499,443	0	0			
Fractional currency	4,805,002	10	0			
Gold certificates of deposit	4,651,188	0	0			
				59,955,633	10	0
				492,925,105	10	0
6 Per Cent. (lawful money) Bonds, issued to Pacific Railroad Company	..		..	6,288,936	0	0
Total Debt	..		..	499,214,041	10	0
Amount of coin in Treasury	17,485,075	0	0			
Amount of currency in Treasury . ..	2,589,212	0	0			
				20,074,287	0	0
Amount of debt, less cash in Treasury ..				479,139,754	10	0

Government Securities.

The following is an account of United States' Securities:—

6's of 81, dated in 1861, and redeemable twenty years from January 1st and July 1st of that year. They were called 1881's being due then. Interest on them is 6 per

cent. in gold, payable January 1st and July 1st. There are three series of the bonds, to wit—

	£
Issued under Act of February 8, 1861	3,683,000
Issued under Act of July 17 and August 5, 1861, 10,000,000*l.*, in exchange for 7-30's Act of July 17 and August 5, 1881, 27,863,430*l.*	37,863,430
Issued under Act of March 3, 1863 (principal specified in the Act as payable in coin)	15,000,000
Total, June 1, 1868	56,546,430

Old 5-20's: called old, because they were the first of these bonds issued, and designated 5-20's from the time they have to run. They bear date May 1, 1862; redeemable after May 1, 1867; payable May 1, 1882. Interest at 6 per cent. in gold payable May and November 1st. The coupon bonds of this issue sell higher than the other 5-20's because, having been the first to be placed upon the foreign market, and largely sold abroad, they are always in demand for remittances and investment there.

These bonds are issued under Act of February 25, 1862, and amount to 102,954,320*l.*

5-20's of 1864, redeemable after November 1, 1869, payable November 1, 1884. Interest at 6 per cent. in gold due May and November 1. These bonds are issued under two Acts of Congress, viz.:—

	£
March 3, 1864 (principal specified in Act as payable in coin) .	776,500
June 30, 1864	25,112,260
Total, June 1, 1868	25,888,760

5-20's of 1865, November issue. These bonds bear date November 1865, redeemable after November 1, 1870, payable November 1, 1885. Interest 6 per cent. in gold, due May and November 1. The coupon bonds of this issue are beginning to be sought after in the English market, as they bear a higher premium generally than the bonds of 1864. They are issued under Act of March 3, 1865, and amounted on the 1st of June, 1868, to 39,555,450*l.*

5-20's of 1865, July issue. These bonds were issued in exchange for 7-30's converted, and bear date July 1, 1865, redeemable after July 1, 1870, payable July 1, 1885. Interest 6 per cent. in gold, due January 1 and July 1.

Authorized by Act of March 3, 1865: amount outstanding June 1, 1868, 66,994,590*l.*

5-20's of 1867 issued also in exchange for 7-30's converted, dated July 1, 1867, redeemable after July 1,

1872, and payable July 1, 1887. Interest 6 per cent. in gold due January 1, and July 1.

The Act of March 1865 also authorizes the issue of these bonds which amounted on the 1st of June, 1868, to 63,484,210*l.*

5-20's of 1868. These bonds are also issued by authority of the Act of March 3, 1865, in exchange for 7-30's converted, are dated July 1, 1873, and payable July 1, 1888. Interest 6 per cent. in gold, due January 1 and July 1. The amount of the 5 20's, 1868, cannot be stated until all the 7-30's are sent in, as these not converted, according to Treasury Statement of June 1, 1868, were 21,122,130*l.*, and, as holders, have the privilege of choice between 1867's and 1868's.

10-40. Bonds bearing this name from the number of years for which they are issued, being redeemable after ten years and payable forty years from March 1, 1864. Interest at 5 per cent. in gold, payable on the 100*l.* and 200*l.* coupon bonds, and on all the registered, March 1st and September 1st; and on the 20*l.* and 10*l.* coupons yearly on March 1. They are authorized by the Act of March 3, 1864, and the principal is specially provided for in coin. The amount of these bonds on the 1st of June 1868, was 38,858,260*l.*

United States' Pacific Railroad Currency 6's. These are issued by the Government to the Companies chartered by Congress to construct railways to and from the Pacific coast, and on the completion of twenty miles of tract, at the rate of 2,269*l.*, 4,534*l.*, and 6,808*l.* per mile, according to difficulty of construction. Interest at 6 per cent. in currency, and payable January and July 1st and 16th. They are redeemable thirty years from the dates of their issue and are all registered in bonds of 141*l.* 16*s.* 11*d.*, 709*l.* 4*s.* 7*d.*, and 1,418*l.* 9*s.* 2*d.* Amount issued on the 1st of June, 1868, 3,674,042*l.*

All the gold bearing bonds are issued in denominations of 10*l.*, 20*l.*, 100*l.*, and 200*l.* Registered the same with 1,000*l.* and 2,000*l.* bonds.

Foreign indebtedness of the United States.

The Secretary of the Treasury estimated the amount of United States' securities of different kinds (inclusive of railroad and other stock) held in Europe in the year 1866, at 120,000,000*l.* sterling.

That amount (exclusive of stocks) he believes has now increased to the sum of 170,000,000*l.*, of which not less than 125,000,000*l.* are in United States' bonds, and have nearly all left this country within the last six years.

This amount he characterizes as formidable, and he derives little satisfaction from the fact that these securities have been transferred in payment of interest and for foreign commodities, and still less from the consideration that probably not over the value of 100,000,000 have been received for these 170,000,000*l.* of debt.

In this estimate of the foreign indebtedness of the country, the secretary does not include railroad and other stocks, which he regards less in the light of a debt than as an evidence of the ownership of property in the United States.

The foreign debt, he believes, is increasing at the rate of from 12,000,000*l.* to 14,000,000*l.* sterling per annum, in the form of gold bearing bonds.

Receipts and Expenditures.

The receipts of the Government from all sources amounted during the last fiscal year to upwards of 67,000,000*l.*; the expenditure to nearly 62,000,000*l.*

The Customs brought into the Treasury, in round numbers, nearly 33,000,000*l.* The internal revenue, 27,000,000*l.* The direct tax on land, 250,000*l.* The sale of public lands, 200,000*l.* Premium on gold sold by the Treasury and other miscellaneous sources, nearly 7,000,000*l.* The highest expenditure of the Government was entailed by the payment of interest on the public debt, and amounted to nearly 29,000,000*l.* The cost of the War Department was, 17,500,000*l.* That of the Navy, 3,500,000*l.* That of the Interior Department, 4,000,000*l.* The civil, foreign, and miscellaneous expenses of the Government amounted to 7,500,000*l.*

The following Table shows, in a detailed form, the receipts and expenditures of the Government for the last three fiscal years since the termination of the war :—

RECEIPTS.

	1865–66.			1866–67.			1867–68.		
	£	s.	d.	£	s.	d.	£	s.	d.
Customs	35,809,330	6	4	35,283,562	3	1	32,892,919	18	2
Internal Revenue ..	43,861,959	7	0	37,734,402	0	11	27,104,622	3	7
Direct Tax	280,106	19	1	595,635	19	8	253,638	5	6
Public lands . ..	94,330	12	10	165,046	4	1	191,307	3	0
Miscellaneous ..	9,520,478	0	0	6,074,447	3	3	6,659,444	8	2
Total . ..	89,566,205	5	3	79,853,093	13	0	67,101,931	18	5

EXPENDITURES.

	1865–66.			1866–67.			1867–68.		
	£	s.	d.	£	s.	d.	£	s.	d.
Civil	1,742,954	8	1	2,210,707	1	5	1,695,057	13	5
Foreign intercourse ..	267,677	12	1	309,717	17	0	288,268	16	2
Miscellaneous ..	3,890,885	4	5	4,819,283	9	4	5,619,626	10	7
Interior Department ..	2,674,101	13	9	3,628,238	15	10	3,955,045	5	3
War ditto	40,347,475	8	8	13,507,009	6	2	17,481,794	2	7
Navy ditto	6,145,265	0	9	4,401,987	7	8	3,656,099	13	6
Interest on public debt .	26,613,548	5	2	28,756,318	7	5	28,084,809	2	0
Premium on ditto ..	..			..			993,071	0	9
Total . ..	81,681,907	12	11	57,633,261	4	10	61,773,772	4	3

The revenue of the Government for the fiscal year ending June 30, 1869, is estimated at 50,600,000*l.*, and the expenditure at 47,700,000*l.*, showing a surplus of nearly 3,000,000*l.* sterling.

But a far more considerable excess of revenue over expenditure is anticipated in the fiscal year that will terminate on the 30th of June, 1870, based on the following three assumptions, viz :—

1. The continued increase of the wealth and population of the country.

2. The discontinuance of payments of claims of soldiers and sailors for arrears of pay and bounty.

3. A general reduction of national expenditures.

There is no department of the Government, says the Secretary of the Treasury, which is conducted with proper economy. The average expenses for the next ten years of the Civil Service ought not to exceed 5,673,759*l.* per annum. Those of the War Department, after the bounties are paid, should be brought down to 4,964,540*l.*, and those of the navy to 2,836,880*l.* The outlays for pensions and Indians cannot for some years be considerably reduced, but they can doubtless be brought within 4,255,320*l.* The interest on the public debt, when the whole of it shall be funded, at an average rate of interest of 5 per cent.,

will amount to 25,000,000*l.* sterling, which will be reduced with the annual reduction of the principal.

Sources of Income.

Internal Revenue.—It will have been seen that the Government of the United States derives its principal source of revenue from the collection of internal revenue taxes.

In 1866, when taxation was at its highest point, the internal revenue yielded 43,861,960*l.*

Since the termination of the war, the taxes of the country have been reduced by a sum of 24,539,000*l.*, and the amount to be collected during the fiscal year ending June 30, 1869, is estimated at 20,738,871*l.*, against 27,104,622*l.* collected last year.

The unsatisfactory collection of the revenue on distilled spirits inflicted very heavy losses last year on the Treasury; the sum of 1,903,417*l.* only having been raised, against 4,013,654*l.* in 1867, and 4,141,642*l.*, collected on the same article in 1866.

The tax on raw cotton, which was formerly 2 cents ($\frac{3}{4}\frac{2}{7}$ of a penny) per lb., was increased in August 1866 to 3 cents ($1\frac{1}{4\,7}d.$), but was reduced in September 1867 to $2\frac{1}{2}$ cents ($\frac{4}{4}\frac{0}{7}$ of a penny). The amount yielded by this tax during the last four fiscal years was as follows:—

	£
1865	251,487
1866	2,611,298
1867	3,370,082
1868	3,191,623

The receipts during the year 1866 represent the amount of cotton grown at different times, which, owing to the war, could not be sent previously to market. The receipts of 1867 represent the product of that year amounting to nearly 2,000,000 of bales. As the removal of the cotton from the districts of its growth is limited during the months of July and August, and the tax for the ten months of the fiscal year ending June 30, 1868, was at the reduced rate of $2\frac{1}{2}$ cents, it is assumed that the amount on which the tax was levied was greater than in any preceding year, and considerably in excess of 2,000,000 of bales.

On cigars, cigarettes, and cheroots, the sum of 418,677*l.*

was collected, representing the amount charged on nearly 600,000,000 of them during the fiscal year, whilst the tax on chewing and smoking tobacco yielded 2,120,157*l.* on a product brought to charge of nearly 45,000,000 of lbs.

On comparing the total receipts for the first quarter (July, August, September,) of the current fiscal year with those of the corresponding period last year, a decrease is shown this year of 2,096,038*l.*, which is to be mainly attributed to the repeal by Congress on the 31st of March, 1868, of the tax on manufactures.

The sum of 7,574,179*l.* was collected during the first quarter of the last fiscal year, and only 5,478,141*l.* during the first quarter of the current one.

The principal falling-off is found under the heading of sources of revenue not otherwise specially enumerated, and including cotton and manufactured articles. Last year the amount collected from this source was 1,683,252*l.* against 120,202*l.* this year, showing a difference of upwards of 500,000*l.* sterling; a decrease of 836,559*l.* is likewise shown in the collection on income-tax, and of 104,132*l.* in that on tobacco, whilst an increase of 115,504*l.* is shown in the collection of the tax on sales, and of 400,000*l.* in that of the tax on spirits.

The expense of assessing and collecting the internal revenue is very great, owing not only to the multiplicity of the articles taxed, but also on account of the vast extent of territory over which the taxes have to be collected.

In 1866 the expense amounted to 1,090,747*l.*, in 1867 to 1,132,295*l.* and in 1868 to 1,322,021*l.*

The augmentation in 1867 over the preceding year is accounted for by the increase in the number of collection districts in the Southern States, and the corresponding increase in the number of officials employed, and the excess last year over the preceding one was occasioned by an increase of pay given to the assistant assessors.

The following is a summary of the principal sources from which the internal revenue is derived:—The taxes on manufactures and productions (including cotton) yielded last year a sum of 14,000,000*l.* sterling. Taxes on gross receipts on railroads, canals, insurance companies, &c., 870,000*l.* Taxes on sales at auctions, and by various descriptions of dealers 7,000,000*l.* Special taxes on banks and bankers, lawyers, physicians, auctioneers, retail liquor dealers, &c., at 2,250,000*l.* Tax on

incomes and on bank dividends and railroad companies nearly 6,000,000*l.* Taxes on legacies 200.000*l.* and on successions nearly the same amount. Tax on bank circulation and deposits, 260,000*l.*; on passports, 5,000*l.*; on penalties, 177,000*l.*; on stamps, 200,000*l.*, and a tax on carriages, plate, billiard-tables, and wearers of gold watches, produced a sum of 60,000*l.* sterling.

The internal revenue taxes, which are specially levied by Act of Congress, do not represent the whole amount of taxation the people of this country are called upon to bear.

There are a variety of others, State and local, which are imposed by the different States of the Union on its citizens.

It is impossible to state accurately the amount of these taxes, but it cannot fall far short of 60,000,000*l.* sterling per annum.

Customs.

The amount of revenue collected from Customs ranks next in importance to that derived from the internal revenue.

The amount yielded last year was 32,892,920*l.* against 35,283,562*l.*, the preceding one.

Tea, coffee, sugar, and molasses constituted nearly one-third of the net value of the imports, exclusive of bullion and specie.

The rate of duty imposed by the existing Tariff on the invoice value of the dutiable goods imported into the United States has averaged for the last three fiscal years about 48 per cent.

The freights, insurance, and commissions are added, and the average of duties is increased by from 10 to 15 per cent.

The Special Commissioner of the Revenue, in speaking of the present Tariff, says that, notwithstanding it is higher than any previous one levied by the United States, or by any civilized nation in modern times, it fails in a great degree to check importations, or to give that degree of protection to which persons engaged in almost all branches of domestic industry have represented to Congress that they are rightfully entitled, and he ascribes the cause to the toleration and use of an inconvertible paper currency, which, he says, always has, and always will, work to the

prejudice and disadvantage of the industry of every nation which adopts it in comparison with those nations who recognise only the standard of gold and silver in their commercial transactions.

The Commissioner likewise characterizes the present Tariff of the United States as an unjust and unequal one, as being based on small issues rather than upon any great national principle; and is of opinion that it needlessly enhances prices, and takes far more, indirectly, from the people than is received into the Treasury. An exchange of domestic for foreign commodities is rendered nearly impossible, and a continual exportation of obligations of national indebtedness, and of the precious metals is necessitated.

Moreover, the Tariff, while professing to protect American industry, really, in many cases, discriminates against it. Every interest that has been strong enough or sufficiently persistent to secure efficient representation at Washington has received a full measure of attention, while every other interest that has not had sufficient strength behind it to prompt to action has been imperfectly treated or entirely neglected.

Thus, whilst the duties on wool, iron, and the leading products of the country have been carefully increased, harmonized and adjusted in a great degree in accordance with the wishes of those interested, the duties on nearly one-half of all the articles on the list of enumeration on which a duty is levied, including drugs and chemicals, are discordant, and often antagonistic alike to the attainment of either revenue or protection.

On some articles, such as opium and the alkaloids, the duties are so excessive that the chief import is already made through the agency of the smuggler; on others of corresponding use and cost, the duty ranges from the merest nominal to the most excessive rates.

The Chief Commissioner of the Revenue thus sums up the condition of things in the United States:—The cost of all domestic products, he says, has been so raised that exchange in kind with all foreign nations is almost impossible. "The majority of what foreign nations have to sell us we must and will have. What foreign nations want and we produce (cotton and a few other articles excepted) they can buy elsewhere cheaper. We are, therefore, obliged to pay in no small part for such foreign produc-

tions as we need and will have either in the precious metals, or, what is worse, in unduly depreciated promises of national payment. And yet there are men who are so far unable to realize this condition of affairs that they desire and honestly think they can remedy the evils in question by measures which, like the increase of the currency, the increase of the Tariff, or other forms of taxation, will inevitably make prices and the cost of production still higher, and thus aggravate the very difficulties which are already so serious."

The value of net imports of merchandize brought into the United States during the fiscal year 1868, exclusive of the movement of bullion and specie, was 69,509,842*l.*; that of the net exports, 53,808,408*l.*; apparent balance against the United States, 15,701,434*l.*

To settle this Treasury balance, and for other purposes, there was sent out of the country, during the last fiscal year, specie and bullion to the value of 16,749,232*l.*, and national bonds and other evidences of indebtedness, to an estimated amount of 20,000,000*l.*; and the Commissioner of the Revenue states that this additional amount was needed to pay an indebtedness of the United States to foreign countries, over and above what the Returns of imports would indicate, as evidenced by the fact that exchange during the whole period in question, was in favour of Europe, and against the United States. This indebtedness, he adds, was undoubtedly created through the following agencies:—first, freights which are in a great degree carried by foreign vessels; second, expenses of Americans travelling in foreign countries; third, interest on public and private securities held abroad; fourth, undervaluation and smuggling.

In the following Table will be found a list of some of the chief articles imported into this country, together with the amount of their declared values during the last two fiscal years:—

	1867.	1868.
	£	£
Woollen goods	10,200,000	7,200,000
Silk	3,600,000	3,730,000
Cotton	4,740,000	3,460,000
Flax	3,900,000	2,800,000
Hemp	600,000	800,000
Sugar	9,400,000	12,400,000
Coffee	4,000,000	5,000,000
Tea	2,400,000	2,200,000
Tobacco	400,000	400,000
Wines	1,169,000	920,000
Iron and steel	5,072,000	4,700,000
Tin	1,500,000	1,720,000
Lead	600,000	600,000
Manufactures of wood . ..	1,200,000	1,500,000
Glass	800,000	600,000
Coal	290,000	255,000
Bread stuffs	..	1,700,000

The introduction of such articles as coal, iron, and bread-stuffs, into a country where they abound so plentifully, is very remarkable, and can only be accounted for by the fact, that the internal freight on such bulky goods, and the prices of labour at present ruling are so high, that the foreign market can compete successfully with the home trade in them.

The principal introduction of bread-stuffs takes place from Canada into the neighbouring State of New York.

Miscellaneous.

From sources termed miscellaneous, the Government received an income last year of 6,500,000*l.* sterling.

This sum was principally derived by the premium on gold sold by the Treasury, and by fees collected by the Consular Agents of the Government.

Direct Tax on Land.

This tax is levied in pursuance of an Act of Congress, authorizing the collection of a sum amounting to nearly 3,000,000*l.* sterling from the several States of the Union apportioned upon each of them with regard to their respective populations. The quota allotted to the loyal States has been paid up. The total amount apportioned to the eleven insurrectionary States, was upwards of 1,000,000*l.*

sterling, of which sum the Treasury has as yet only succeeded in collecting one-half.

Public Lands.

From the sale of public lands the Government derived a sum, last year, of 191,307*l.*

This amount was received on account of cash sales, pre-emptions, military scrip received as money, homestead payments and commissions, fees for locating agricultural college scrip on military warrants and railroad selections, donations and proceeds from furnishing transcripts, &c.

The total quantity of land disposed of amounted to 6,655,742 acres.

The quantity of land still at the disposal of the Government is calculated at upwards of 1,400,000,000 acres, exclusive of the Russian purchase of Alaska, which is estimated at 577,390 square miles, or 369,529,600 acres.

Of the 6,655,742 acres disposed of last year, 914,941 were sold for cash, 512,533 were located with military bounty land warrants, 2,328,923 were taken for homesteads under the Acts of 1862-64-66, 259,197 were approved to several States as swamps, 697,257 were granted to railroads, and 1,942,889 were "located" with what is termed college scrip.

The Federal Government has presented to each State of the Union certain tracts of land, apportioned according to population, in order that the proceeds realized by their sale may be devoted to the establishment and encouragement in each respective State of agricultural and mechanical colleges. Persons desirous of purchasing such lands can do so under warrants called "College scrip."

The Homestead Act gives the right to every citizen of the United States, and to those who have declared their intention of becoming such, the right to a homestead on surveyed lands. This right is conceded to the extent of one quarter of a section or 160 acres.

After a continuous term of five years of settlement on, and cultivation of the soil, a patent or complete title for the homestead is given to the settler.

Aliens cannot acquire valid titles to real estate under the pre-emption and homestead laws, the privileges of which are restricted to citizens or those who have declared their intention to become such.

The legal steps necessary for a foreigner to acquire citizenship in the United States, are as follows :—

Any free white alien, over the age of 21 years, may at any time after arrival in the country declare before any Court of Record having common law jurisdiction, his intention to become a citizen, and to renounce for ever all foreign allegiance. The declaration must be made at least two years before application for citizenship.

At the expiration of two years after the declaration, and at any time after five years' residence, the party desiring naturalization, if then not a citizen, denizen, or subject of any country at war with the United States, can appear in a Court of Record and there be sworn to support the Constitution of the United States and renounce foreign allegiance.

If the person desiring naturalization be possessed of any hereditary title or order of nobility, such must be renounced, and satisfactory proof be produced to the Court by the testimony of witnesses, citizens of the United States, of the five years' residence in the country, one year of which must be within the State or territory where the Court is held, and that during the five-year period he was a man of good moral character and attached to the principles of the Constitution ; whereupon, he will be admitted to citizenship, and thereby his children, under 21 years of age, if dwelling in the United States, will also be regarded as citizens.

Where the alien has made his declaration, and dies before being actually naturalized, the widow and children become citizens of the United States, and entitled to all rights and privileges as such upon taking the prescribed oaths.

Any free white alien, being a minor and under the age of 21 years at the time of his arrival in the country, who has resided in the country three years next preceding his majority of 21 years, may, after reaching such period, and on five years residence, including the three years of his minority, be admitted to citizenship without a preliminary declaration of intentions: provided he then makes the same, averring also on oath and proving to the Court that for the past three years it had been his intention to become a citizen ; also showing the fact of his residence and good character.

Children of citizens of the United States, born out of

the country, are deemed citizens, the right not descending, however, to persons whose fathers never resided in the country; and any woman who might legally be naturalized married, or who shall be married to a citizen of the United States, is held to possess citizenship.

An alien, 21 years of age and over, who has enlisted, or shall enlist in the regular or volunteer armies of the United States and be honourably discharged, may be admitted to citizenship upon his simple petition and satisfactory proof of one year's residence prior to his application accompanying the same, with proof of good moral character and honourable discharge.

Sources of Expenditure.

Interest on the Public Debt.—The payment of the yearly interest on the public debt is the heaviest charge on the United States' Treasury.

It entailed an expenditure last year of nearly 29,000,000*l.*

Civil Service.—Under this heading is comprised the cost of Congress (including charges for stationery, books, and salaries of Senators and Members of the House of Representatives), the Executive and Judiciary Departments, and the Government in the territories. Expenses of officers of the mint, supervising inspectors, surveyors-general, &c.

The expenditure on account of the Civil Department amounted last year to nearly 1,700,000*l.* sterling.

Senators and Representatives receive a sum of 1,420*l.* for a term of a Congress, which extends over two years.

An allowance is likewise made them for journies at the rate of 5*l.* 10*s.* for every 100 miles travelled over, on account of the public service, to and from Washington.

The salary of the President is about 3,550*l.*; but he is at no expense for living, as everything, including house, is found him. The Secretary of State, and the Secretaries of War, of the Navy, of the Treasury, of the Post-Office, of the Interior, and the Attorney-General, receive each a salary amounting to about 1,134*l.* per annum.

The salary of the Chief Justice is a small one, about 940*l.*, and the other seven Associate Judges of the Supreme Court about 850*l.*

It is a singular fact that whilst salaries paid to the

subordinate officers, serving in the different branches of the civil service, are very liberal, those given to persons filling the higher grades are inadequately low, and particularly so in the Judiciary Department.

Indeed, it is asserted that last year the Chiefs of Bureau in the War Department received in pay and emoluments a larger compensation than the Chief Justice of the United States.

The Secretary of the Interior comments in his report on this anomalous state of things.

The salary of the Judges, he says, if not equal to the sums derived by them from their professional income, should at least secure them an independent support, and bear a just relation to their arduous employment.

One of the most eminent Judges of the Supreme Court resigned on account of the scanty salary, and a venerable Chief Justice, whose labours during a long life conferred enduring benefits on the country, died a few years ago, bequeathing to his family little beyond the legacy of an illustrious name.

Foreign.—The cost of the foreign intercourse of the Government amounted last year to the sum of 288,268*l.*, of which 112,426*l.* was disbursed on account of the Diplomatic Service. The United States' diplomatic staff consisted last year of thirteen Ministers-Plenipotentiary, twenty-three Ministers-Resident, and twenty-eight Secretaries of Legation.

The salaries of the Consular Service entailed an expenditure of 74,750*l.* The number of Consuls-General was twelve, and of Consuls 273.

The amount of fees collected at the various Consulates was 87,036*l.*, showing an excess of 12,286*l.* over the total cost of the service.

Other items of expenditure on the foreign intercourse of the Government include the sum of 30,000*l.* subsidy to the mail steamship service to Brazil, relief and protection to distressed American seamen, &c.

Miscellaneous.—The expenditure of the Government under the above heading amounted last year to 5,619,626*l.*, and include a variety of items. The principal ones may be thus briefly stated:—Collection of the internal revenue, 1,080,237*l.*; light-house establishment, 371,000*l.*; expenses of the United States' Court, 251,000*l.*

Survey of public lands, &c.

Interior.—The expenditure of the Interior Department amounted last year to 3,955,045*l.*

Of this sum 565,724*l.* was disbursed in subsistence of friendly Indian tribes and in paying the annuities, either in money or in kind, according to stipulation, to such tribes as have made Treaties with the Government.

The leading stipulations of the Treaties which have been proclaimed provide for gathering the respective tribes upon distinct reservations, and for securing in due time to each Indian a title to separate tracts of land.

Clothing, goods, and farming implements are to be furnished and school and mission houses, agency buildings, mills, &c., are to be erected.

The payment of a reasonable indemnity is recommended when, by a temporary occupation of the Indian hunting-grounds, or the construction of railways over them, the Indians are partially deprived of their accustomed means of subsistence.

In the opinion of the Secretary of the Interior, Treaties made with Indian tribes will not be worth the paper they are written on if Congress does not furnish the means of executing them.

No just ground of reproach, he says, can be found against the majority of the tribes on the score of non-fulfilment of their Treaty stipulations. During the winter 1867-68 upwards of 27,000 Indians were subsisted by the United States' Government, and not a single act of depredation or violence was reported; and it is believed that peaceful relations would have been maintained to the present hour had Congress, in accordance with the Estimates submitted, made the necessary appropriations to enable the Department charged with Indian affairs to perform engagements for which the public faith was pledged. A costly Indian war, with all its horrors, would have been avoided.

By far the heaviest disbursements made by the Interior Department last year was on account of military pensions. The sum of 3,355,825*l.* was expended on this account alone, of which invalid military pensioners, in all 74,782, received 1,061,668*l.*, and widows, orphans, and dependent relatives of deceased soldiers, in all 92,243, received 2,294,157*l.* The payment of pensions is likely to prove a heavy drain on the pecuniary resources of this country for many a long year to come. The recipients of pensions

and annuities are proverbially a long-lived race, but their longevity in this country would appear exceptional. It is true that of the two soldiers who fought in the revolutionary war against England last century, and who were on the pension list last year, one is dead, but his companion is still reported living. The war ended in 1783. There are, nevertheless, at present time on the rolls the names of 888 widows of soldiers who fought in it. Of widows and children of soldiers who served in subsequent wars, and prior to the late civil war in this country, 1,303 names are on the rolls.

The sum of 50,884*l.* was disbursed in naval pensions. The number on the rolls is 1,175 invalids, and 1,443 widows, orphans, and dependent relatives of deceased seamen.

Pensions are paid at the following rate:—total disablement, requiring constant personal aid of an attendant, 2*s.* 4*d.* per diem; incapacitation for performing any manual labour 1*s.* 10*d.* a-day.

Navy.—The sum of 3,656,066*l.* was disbursed by the Treasury during the last fiscal year to the Navy Department; of this sum, 1,269,429*l.* was expended in pay.

The total number of seamen in the United States' Navy amounts to 8,500; and of vessels, 206, carrying 1,743 guns.

The vessels are classified as follows:—

	No.	Guns.
Vessels of the 1st rate (2,400 tons and upwards) ..	35	662
Vessels of the 2nd rate (1,200 to 2,400 tons) ..	37	483
Vessels of the 3rd rate (600 to 1,200 tons) ..	76	414
Vessels of the 4th rate (under 600 tons) . ..	58	184
Total	206	1,743

The following Table indicates the character of the vessels composing the United States' Navy:—

	No.	Guns.
Iron-clads	52	129
Screw-steamers	95	938
Paddle-wheel ditto	28	199
Sailing-vessels	31	477
Total	206	1,743

The organization of the six United States' squadrons is as follows:—

	Ships.	Guns.
European squadron	5	76
Asiatic ditto	9	82
North Atlantic ditto	6	52
South Atlantic ditto	5	49
North Pacific ditto	8	90
South Pacific ditto	6	47

The net proceeds of the sale of prizes captured during the late war, and adjudicated, prior to 1st November of the present year, amounted to 3,351,720*l.*

The Secretary of the Navy calls attention to the fact, that in none of the navy yards of the United States is there more than a single dry dock, and that there are but six in the whole country,—a deficiency which would be seriously felt in the event of a maritime war. He adds, that the dockyards at Cherbourg and Toulon in France, and at Portsmouth in Great Britain, each contain a greater number of dry docks than all the United States' dockyards combined; and that whilst Great Britain, France, and other maritime Powers are increasing their dry dock facilities, nothing in a similar direction is being done in the United States.

The following Table gives a complete list of the organization of the United States' Navy:—

Admiral	1	Engineers	302
Vice-Admiral	1	Chaplains	20
Rear-Admirals	10	Professors of Mathematics ..	11
Commodores	25	Naval constructors . ..	5
Captains	50	Assistant ditto	5
Commanders	88	Civil Engineers	5
Lieutenant-Commanders ..	172	Warrant Officers—	
Lieutenants	34	Boatswains	52
Masters	70	Gunners	52
Ensigns	107	Carpenters	35
Midshipmen	166	Sailmakers	30
Surgeons	154	Marine corps of different ranks	87
Paymasters	138		

The following is a Pay Table of the United States Navy:—

	At Sea.	On Shore Duty.	On Leave, or Waiting Orders.	On retired List.
	£		£	£
Admiral	1,418	1,418	1,418	..
Vice-Admiral	994	851	710	..
Rear-Admirals	710	567	425	284
Commodores	567	454	340	255
Captains	510	399	298	227
Commanders	399	317	237	198
Lieutenant-Commanders . ..	332	266	212	184
Lieutenants	266	212	170	142
Masters	212	170	136	113
Ensigns	170	136	109	70
Midshipmen	113	..	..	..
Mates	102	70	70	..
Surgeons	313	284	227	..
Paymasters	284	255	198	..
Chief Engineer	312	312	312	..
Naval Constructor	..	354	225	..
Chaplains	266	212	170	..
Professor of Mathematics ..	255	255	136	..
Boatswains	142	113	85	..

	£	s.	d.
The pay of a seaman per month is	2	16	8
Ditto of an ordinary seaman	2	4	0

Army.—The sum of 17,481,794*l.* was disbursed by the Treasury on account of the War Department during the last fiscal year. Of this amount 24,000*l.* was expended on the Military Academy at West Point.

The pay of the regular army amounted to 2,525,385*l.*, and that of the volunteers to 6,056,233*l.* Half of this sum represents the expenditure on 242,000 claims for additional bounty, that were submitted to, and settled by, the Department in the course of the year.

There are 100,000 claims still pending. The volunteer force has now been entirely disbanded.

The sum of 5,178,210*l.* was spent in the Quartermasters' Department, and includes amounts paid on account of claims for stores taken during the war for the use of the army. Many claims for property taken during the war were also settled; and there are claims of this nature still pending, representing an aggregate sum of 1,000,000*l.* sterling.

The disbursements of the Department on account of reconstruction purposes in the Southern States amounted, during the year, to 320,768*l.*; and it is estimated that a

further outlay of 66,000*l.* will cover all future expenses under this head.

The strength of the regular army of the United States in August last, was 49,960 men. It will be reduced, on the 1st of January, 1869, to 43,000 men.

The term of service is three years, and it is hoped by the authorities will be extended to five.

The troops are armed with the old United States' Springfield musket, which has been converted into a breech-loader.

It is a most handy, serviceable, and efficient weapon, weighing about 8½ lbs., and is universally extolled by those portions of the army to which it has been issued. In the course of time the whole army will be supplied with them.

The United States' army is composed of nine regiments of cavalry, consisting each of twelve troops or companies, as they are termed: maximum strength of each regiment is 1,240 men, inclusive of officers and non-commissioned officers: forty-five regiments of infantry, of ten companies each: maximum strength of each regiment, 1,232 men; five regiments of artillery: maximum strength, 1,837; an engineer battalion: maximum strength, 768 men.

The 9th and 10th regiments of cavalry, and the 39th, 40th, and 41st regiments of infantry, are composed of negro soldiers, but are commanded by white officers. The 42nd, 43rd, 44th, and 45th regiments are composed of veteran reserves.

The pay of a private soldier averages 1*s.* 7*d.* a day. That of a colonel is about 550*l.* a-year, that of a captain about 250*l.*, and that of a lieutenant 200*l.* These sums do not include very liberal allowances made for lodging, fuel, and rations.

The following is a Table of the organization of the army of the United States:—

General Officer	1	Commissary Sergeants	60
Lieutenant-General	1	Principal Musicians	100
Major-Generals	5	Saddler Sergeants	10
Brigadier-Generals	19	Chief Trumpeters	10
Colonels	88	Ordnance Sergeants	121
Lieutenant-Colonels	103	Hospital Stewards	454
Majors	209	Regimental ditto	60
Aides-de-camps	43	Battalion Sergeant-Major	1
Captains	737	Ditto Quartermaster Sergeant	1
Adjutants	60	First Sergeants	630
Regimental Quartermasters	55	Company Quartermaster ditto	630
Commissaries	5	Sergeants	2,763
Regimental ditto	10	Corporals	5,262
Battalion Adjutant	1	Trumpeters	240
First Lieutenants	882	Musicians	1,390
Second ditto	660	Farriers and Blacksmiths	240
Brevet ditto	5	Artificers	1,020
Chaplains	36	Saddlers	120
Military Storekeepers	29	Wagoners	630
Medical ditto	5	Privates, 1st Class	723
Veterinary Surgeons	10	Ditto, 2nd Class	833
Sergeant-Majors	60	Privates	34,120
Quartermaster Sergeants	60		

Total commissioned	2,988
Total enlisted	49,960
Aggregate	52,948

The cost of the Freedmen's Bureau amounted last year to the sum of 564,119*l.*

It will be closed on the 1st of January, 1869, with the exception of the educational and claims divisions.

This useful and humane institution was created at the most critical moment of the negro's existence—at a time when, though he had ceased to be chattel, he could hardly be said to have acquired the status of an American citizen. It undertook a holy mission, and performed it with efficiency, succouring, protecting, and morally elevating the host of slaves who had just acquired their liberty, and who, without its generous interposition, must have perished by thousands from want, misery, and disease.

With funds supplied from this bureau, the numberless indigent negroes were sustained at the close of the war, by the distribution of rations; at first to a very considerable amount, but latterly, as they learnt to take care of themselves, to a smaller degree.

The daily average supported by rations from the bureau did not exceed, last year, 17,000, for the entire territory of the Southern States with a population of negroes computed at 4,000,000.

The Bureau likewise looked after the interests of discharged coloured soldiers, assisted refugees to return to their homes, and enabled freedmen to repair, without expense, to localities where they could find employment.

But the most lasting benefit conferred by the Freedmen's Bureau on the negro race, will be found in the numerous school-houses that have been erected under its auspices throughout the length and breadth of the land.

Of these there exist at present nearly 2,000 attended by upwards of 100,000 pupils who are reported to display a certain aptitude for learning, and to evince earnest desire to profit by the marks of consideration and sympathy shown towards them.

(Signed) FRANCIS CLARE FORD.

REPORTS

BY

HER MAJESTY'S SECRETARIES

OF

EMBASSY AND LEGATION,

ON THE

MANUFACTURES, COMMERCE, &c.,

OF THE

COUNTRIES IN WHICH THEY RESIDE.

Presented to both Houses of Parliament by Command of Her Majesty.
April 1869.

LONDON:
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1869.

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Switzerland.

Report by Mr. Rumbold, Her Majesty's Secretary of Embassy, on the Trade and Industry of Switzerland during the Five Years 1863–68.

St. Petersburgh, December 1868.

I SHALL endeavour in this Report to give some account of Swiss trade and industry during the five years comprised between 1863 and 1868. That period has been so fertile in events that it may will be said to have marked a memorable epoch in the industrial and commercial annals of the Confederation. It witnessed the end of that mighty struggle in the powerful sister Republic, every turn and effect of which was felt as keenly in the homes of Swiss industry as in the workshops of our own Lancashire or the factories of Mulhouse and St. Etienne. Nearer home that period saw the quiet of Europe broken by the short but gigantic contest which, whilst it has altered the destinies of Germany and all but crowned the aspirations of Italy, has left peace trembling in the balance, and has called forth armaments more vast than any as yet recorded in history. But happily too it has likewise seen the benefits of rapid and intimate international intercourse multiplied a thousandfold by the agency of steam and electricity, the two hemispheres brought together as it were by magic, new markets opened up in the most secluded regions of the East, and the healthy tendency of the age towards the extension and freedom of commerce breaking down the most stubborn barriers of protection and prejudice. Thus, when the recollection of severe financial and industrial disasters inseparably associated with such names as Richmond and Sadowa shall have long faded away, this period will still be gratefully remembered in Switzerland as having produced the great Commercial Treaty with France, and the provisional Treaties with the Zollverein and Italy,* and in counting

* The Treaty with Italy has just been ratified by the Federal Assembly.

up both gains and losses, heavy though the latter have been, it will be seen that these five eventual years have left the Confederation more thriving than they found it and with every prospect of increased prosperity in the future.

I have had occasion before in reporting upon Switzerland to point out with regret the scanty and incomplete nature of the information to be obtained on commercial and industrial questions. As yet little knowledge can be derived from private sources, and were it not for the obligingness of the Federal Government and the interesting matter contained in the Reports of the different Departments of the Federal Administration, the task of reporting on that country would be attended with no little difficulty. In expressing the above regret, I am but repeating the daily complaints made by the Swiss press, and echoed by the Central Government, and I am only the more indebted to the Federal authorities for the kind assistance I have at all times received from them in the course of a happy residence of four years on Swiss soil. There are, however, strong signs of increasing interest being taken by the general public in these questions, and the formation of the Swiss Statistical Society, and the valuable nature of its labours give certain promise of improvement under this head. I will merely add here that this Report has been almost entirely complied from the Federal "Rapports de Gestion" (or Annual Reports of the Federal Council to the Federal Assembly) for the years 1863-67, and from a few Cantonal and other Reports communicated to the Federal Statistical Department.

According to the Report of the Federal Department of Commerce for 1863, that year ushered in the period with which I propose to deal under most favourable auspices. The Official Tables published show a considerable increase on nearly all imports during the first half-year, as compared with 1862, which increase, however, did not maintain itself during the second half. The exports were very brisk, and much larger than in 1862, the principal augmentation showing itself in the staple products of Swiss industry, such as silk goods, cotton yarns, and twist, watches and jewellery, and thus giving unmistakable evidence of general prosperity.

In this year, the discovery of a vast system of fraud n the transmission to the United States of Continental

productions led to the enactment by the American Congress of the law which requires all invoices to be made out in triplicate, and to receive the verification of American Consular Agents as to classification and valuation of the merchandize to be exported. Of these triplicates one is delivered to the exporter, one retained for the archives of the Consulate, and the third transmitted to the Custom-house authorities for purposes of comparison with the invoice presented for entry. By the inauguration of this system it became possible for the first time to ascertain the exact figure of Swiss exports to the United States, and it was found that for the last nine months of the year (April 1863 to January 1864) they represented a value of about 39,500,000 francs. The principal articles in these exports appear to have been jewellery and watches, of which an unprecedented number were taken. This is the more singular when it is considered that the war was then at its height; and the Federal Report from which I quote seeks causes for this phenomenon, first, in the glut of greenbacks producing in certain classes of the American community a fictitious and temporary sense of wealth, conducive to extravagance; and, secondly, in a sense of insecurity and fear of depreciation, inclining the more cautious to invest in the purchase of articles of intrinsic value.

The year 1864, though less fortunate than its predecessor, stands out in bold relief as the year of the conclusion of the French Treaty, and, if on this account alone, will be deserving of more than a passing notice. This, to Switzerland, all important Treaty, after giving rise to protracted negotiations, was finally signed at Paris on the 30th of June, 1864, and ratified the 24th of November of the same year.

Some review of the commercial relations between France and Switzerland may perhaps not be out of place here.

From the date of the most ancient Treaty concluded between the Confederation and the French Crown—that signed the 28th of October, 1444, after the battle of St. Jacob—down to the last days of the old French Monarchy, the Swiss, in consideration of their furnishing some of their best blood for the military service of their Royal neighbour and ally, enjoyed special immunities in the matter of trade consigned in a series of Treaties extending over a period of three and a-half centuries.

In 1790 this privileged state of things began to cease by the imposition of much higher duties on the produce of foreign manufactures, and by the establishment of frontier Custom-houses. The so-called "Continental system," adopted under the First Empire, gave a fresh impulse to Protectionist tendencies, which were only further developed by the succeeding Governments of the Restoration and the July Monarchy. A radical change took place in this policy in 1860 by the conclusion of the Treaty with Great Britain, followed by similar Treaties with Belgium, Prussia, and Italy. By the effect of these compacts Switzerland was placed in a still worse position than before as regarded France, and the Federal Council soon took steps for a thorough revision of the commercial relations of the two countries. After some delay, negotiations for a Treaty of Commerce were commenced at Paris on the 26th of January, 1863, and successfully brought to a close on the 30th of June of the following year.

The concessions made by France to Switzerland in virtue of this Treaty may be classed under two distinct heads:—

1. The advantages which she was allowed to share in common with Great Britain, Belgium, Prussia, and Italy under the special Treaties recently concluded with those States, together with the suppression of all absolute prohibition of either imports or exports.

2. Certain special concessions made in favour of articles of Swiss manufacture.

The advantages obtained by Switzerland under the first head operated chiefly in favour of her *silk* and *half-silk* goods, which previously were either entirely prohibited, or subjected to such excessive duties as to be virtually excluded from the French markets; yet, notwithstanding the great reduction and, with respect to some articles, the complete abolition of duties granted to them, Swiss silk goods in general, with the exception of some of the cheaper kinds, can hardly expect to compete successfully with the same goods as produced in France.

On the other hand, the facilities granted to *cotton goods*, the importation of which was, up to 1860, absolutely prohibited, constitute a positive gain, especially when the recent depressed condition of Swiss cotton industry is taken into consideration.

The iron works of the Jura and of South-Eastern

Switzerland have benefited by a reduction of the duties on *metals* averaging from 60 to 75 per cent., whilst Swiss *chronometers* are henceforth admitted into France free of duty in their character of "instruments de précision."

The Swiss *paper-makers* are further placed on nearly even terms with those of France by the removal of the prohibition on the exportation of *rags*, and the reduction of the import duty on *paper* to 8 francs per 100 kilogrammes. *Swiss butter* (fresh), which formerly paid 3 francs 30 centimes per 100 kilogrammes is now admitted free, and the duty on *salt butter* is reduced from 5 francs 50 centimes to 2 francs 50 centimes.

The special concessions granted by France in favour of certain articles of Swiss manufacture principally affect the following articles:—*watches*, *musical-boxes*, and *clocks*, and parts of clocks ("fournitures d'horlogerie").

The former import duty on watches ranged from 1 franc to 4 francs 40 centimes per watch, with a duty of 10 per cent. *ad valorem*. The duty charged in the Treaties with Great Britain, Belgium, and Prussia is at the rate of 5 per cent. *ad valorem*, whilst a special concession still further reduces it as regards Switzerland to 1 franc per silver watch, 5 francs per gold watch, 1 franc per wooden clock, 5 francs per musical-box, or 5 per cent. *ad valorem* if it be preferred to declare the consignment according to value and not by price. The old import duty on clocks and parts of clocks ("fournitures d'horlogerie") was at the rate of 5 francs 50 centimes per kilogramme. For this was substituted in the above-mentioned Treaties a lower duty of 100 francs per 100 kilogrammes, which was again reduced by half in favour of Switzerland, and now only amounts to 50 francs per 100 kilogrammes.

Tanned skins (with the exception of varnished and dyed skins and morocco leather), the importation of which into France was formerly prohibited, are now admitted when coming from the above-named States, on payment of a duty ranging from 15 francs to 30 francs per 100 kilogrammes, whilst Swiss tanned skins pay only 10 francs per 100 kilogrammes.

A similar favour was granted to *gauze* and *muslins* (both plain and figured), for furniture, hangings, or dress. The importation of these articles had likewise been strictly prohibited up to 1860, whilst under the Anglo-French and other Treaties they were admitted on payment of a duty of

15 per cent. *ad valorem*. A further reduction to 10 per cent. *ad valorem* was specially conceded to Switzerland, and came into force on the 1st of January of the present year. This concession in favour of some of the most important articles of Swiss production is the more noteworthy that it met with great resistance on the part of the French manufacturers, specially those of Alsace, who sent in a numerously signed petition against it. *Embroidery* worked *by machinery* is now admitted on the same terms as *embroidery by hand*, paying only 10 per cent. instead of 15 per cent. *ad valorem*.

Silk ribbons, which had formerly been virtually excluded by a prohibitory duty, amounting to nearly 1,000 francs per 100 kilogrammes, are now admitted on payment of a duty of 4 francs per kilogramme, equivalent to about $3\frac{1}{2}$ per cent. *ad valorem*, and 50 per cent. less than the duty stipulated in the Treaties with the other States already mentioned.

Finally, the duty on *cheese*, which formerly amounted to 16 francs 50 centimes per kilogramme, and which under the Treaties with England and Belgium, was reduced to 10 francs per 100 kilogrammes, has been lowered in favour of Italy and Switzerland to 4 francs 100 kilogrammes.

In consideration for the above-mentioned concessions Switzerland on her side consented to some notable reductions in her Tariff, which were estimated at the time of the signature of the Treaty as equivalent to an annual loss of about 402,000 francs to the Federal Customs receipts.

These reductions principally bore on *carpenters' work* or "menuiserie" (furniture, &c.), the duty on which from 15 francs per quintal was lowered to 8 francs per quintal.

Silk Tissues, the duty on which was lowered by 15 francs per quintal.

Chemical Products and Soap.—The most important concessions, however, made by Switzerland, and one which gave rise to very great difficulties on the part of the Cantonal Governments, was the reduction of the duty on *bottled beer* and *wine;* the former being lowered from 3 francs 50 centimes to 1 franc 50 centimes per quintal, and the latter from 15 francs to 3 francs 50 centimes. Six sittings out of the thirty in which the Treaty was discussed were nearly entirely taken up by this subject, which was the more difficult to decide as it to a certain extent encroached on the right to levy "droits de consommation,"

or excise on drinks, solemnly guaranteed to the Cantonal Governments by the Federal Constitution, and to some of them a chief source of revenue.

It is difficult to over-estimate the importance to Switzerland of the Treaty of which the above is a sketch. It opens up entirely new fields to the industry of the country, and will probably, in some measure, direct the current of trade into more natural channels, thus enabling Switzerland to secure customers close at home, instead of as hitherto, affording the singular spectacle of the most inland seat of manufactures in the world, seeking its chief outlets not in neighbouring countries, but beyond the ocean in the most distant markets of the earth.

The following Table gives a list of the articles of which the importation into France was prohibited previous to the Treaty, together with the conditions on which they may now be introduced :—

List of Goods the Importation of which into France was prohibited.

		Fr. Ct.
Wrought Metals :—		
Cast iron, 1st class	100 kil.	3 0
„ 2nd „	„	3 75
„ 3rd „	„	4 50
Articles in cast and polished metal	„	6 0
„ „ metal plated	„	10 0
„ enamelled or varnished	„	
Articles in iron	„	8 & 12 0
Iron tubes	„	11 & 20 0
Tools and other objects in steel	„	32
Cast iron mixed with iron	„	4 50 8 0
Articles in zinc of all kinds	„	8 0
Articles in nickel and plated	„	100 0
Refined sugar	„	55 0
Varnished leather	„	80 0
Sheepskins dyed	„	45 0
Dressed and other skins	„	10 0
Leather gloves	Value	5 per cent.
Articles of all kinds in skin and leather	„	10 „
Ships and boats :—		
Wooden	100 kil.	10 0
Iron	„	40 0
(Engines for the above, according to Tariff)		
Linen tulle	Value	15 per cent.

		Fr. Ct.
Cotton tissues :—Unbleached, plain, &c :		
I. Class weighing 11 kilogrammes or more per 100 square metres—		
Of 35 threads and less per 5 millimetres	Kilo.	0 50
Of 36 threads and above	„	0 80
II. Class weighing from 7 to 11 kilogrammes—		
Of 35 threads and less	„	0 60
From 36 to 43 threads	„	1 0
Of 44 threads and above	„	2 0
III. Class weighing from 3 to 7 kilogrammes—		
Of 27 threads or less	„	0 80
From 28 to 35 threads	„	1 20
„ 36 to 43 threads	„	1 90
Of 44 threads and above	„	3 0
Cotton Tissues :—		
Bleached .. .. 15 per cent.	more than	unbleached.
Dyed	Kilo.	25
Printed	Value	15 per cent.
Cotton Velvets :—		
Unbleached	Kilo.	0 85
Dyed or printed	„	1 10
Corded, moleskins	„	0 60
Dyed or printed	„	0 85
Cotton tissues unbleached, plain, &c., weighing less than 3 kilogrammes per 100 square metres	Value	15 per cent.
Piqués, dimities, damasks, &c.	„	15 „
Counterpanes	„	15 „
Tulles, plain or embroidered	„	15 „
Gauze and muslins, embroidered or figured	„	{ 1866–67 15 „
„ for furniture, hangings, or dress ..	„	{ From 1868 10 „
Clothes and dresses	„	15 „
Embroidery by hand and by machinery ..	„	10 „
Woollen hosiery	„	10 „
Silk tulle, plain, unbleached, dressed, and figured	..	Free.
Silk tissues, trimmings, lace of silk or flock-silk, with gold or silver (half real or imitation)	Kilo.	3 50
Madder dye	..	Free.
Extracts for black and violet	100 kil.	20 0
„ red and yellow	„	30 0
Turmeric in powder	..	Free.
Ordinary soaps	100 kil.	6
Chemical products (not specially named) ..	Value	5 per cent.
Empty bottles	100 kil.	1 30
Window glass	„	3 50
Table glass and crystal, white and coloured ..	Value	10 per cent.
Other articles in glass (not specially named) .	„	10 „

		Fr. Ct.
Rock crystals, set (the same as jewellery and goldsmiths' work)	..	..
Stanniferous earthenware, &c., plain ..	..	Free.
„ „ coloured and glazed, majolica, &c.	Value	10 per cent.
Crockery	„	10 „
Stoneware (fine)	„	10 „
Extract of Peruvian bark	100 kil.	2 0
Coffee made of chicory	„	5 0
Playing cards..	Value	15 per cent.

As was above said, the year 1864, though it may boast of having sown for its successors the seed of many a brilliant harvest to come, was not in itself fortunate. The heavy cost of raw material (especially cotton), the glut of manufactured produce, and the high rate of interest, all told against the industry of the country. The exports for the year fell below those of 1863, and the trade with the United States and Great Britain suffered greatly in some of its principal branches, such as silk and cotton goods. Some account is given in the Federal Report for this year of the trade of Switzerland with Belgium. The exchanges between the two countries had increased from 12,670,000 francs in 1862 to 17,437,000 francs in 1863, thus divided :—

	1862.	1863.
	Fr.	Fr.
Imports from Belgium . ..	10,309,000	13,725,000
Exports to Belgium ..	2,361,000	3,712,000
Total	12,670.000	17,437,000

The principal exports to Belgium were cotton goods, of which 436,000 francs worth was sent in 1862, and 879,000 francs worth in 1863. This increase is the more encouraging, as already showing the results of the Treaty signed with Belgium in 1862, but which only came into operation in the middle of 1863.

The subjoined Table shows the exports from Switzerland to the United States, and is due to the arrangement above described, according to which all goods sent to that country must be declared at one of the American Consulates in Switzerland. The diminution observable in the second half of the year is due to the high Tariff introduced at that period.

Swiss Exports to the United States in 1864.

	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.
	Fr.	Fr.	Fr.	Fr.
Silk stuffs . ..	9,275,244	7,936,907	1,117,520	254,889
Silk ribbons ..	2,484,042	2,357,877	1,395,573	503,253
Cotton goods ..	723,748	513,149	204,753	207,685
Embroidery and curtains	67,995	89,701	162,163	32,418
Botting machines ..	23,013	136,918	88,992	27,700
Watches, clocks, &c.	2,792,346	2,901,903	843,168	1,989,780
Musical boxes ..	20,712	25,754	11,139	14,877
Articles in straw ..	541,182	36,373	114,821	114,324
Leather	20,910	..	1,315	..
Cheese	76,248	103,519	35,123	26,683
Liqueurs	10,366	6,778	9,080	11,472
Cigars	9,600	19,964	2,835	..
Dying stuffs ..	8,904	..	..	..
Various articles ..	47,498	20,512	16,824	21,187
Total ..	16,101,809	13,148,354	3,952,201	3,054,278

The year 1865 bears witness to strenuous efforts on the part of the Federal Government to extend to the trade of Switzerland with its other neighbours the benefits of the Treaty concluded with France in the preceding year. Accordingly the negotiations for a Treaty of Commerce with Italy, which had been commenced at Berne on the 20th August, 1864, and had been interrupted by the death of the Italian negotiator Commandeur Jocteau, not having led to a final result, a *modus vivendi* based on the Tariff conceded by Italy to France was agreed upon, and came into operation on the 1st July of this year. The Conferences which had begun at Stuttgardt between the Representative of Switzerland and those of Baden, Bavaria, and Wurtemberg (acting in the name of the Zollverein) not having come to a successful conclusion, owing to objections on the part of Prussia, Saxony, and Hesse-Darmstadt, the same arrangement was entered upon with the German Customs Union. Thus in 1865 the ancient Tariff of 1851 was only in force on the frontiers bordering upon Austria, and for the first time Switzerland breathed, as it were, freely by the removal of barriers that had till then proved far more rigid and insurmountable than her own girdle of mountains.

How rapidly the effects of these arrangements made themselves felt may be seen by a glance at the following

Table, showing the exchanges which took place during the second half of 1865 (that is, during the first six months after the Treaty with France came into operation*) in articles on which the duty was modified by the new Swiss Tariff annexed to that Treaty, as compared with the exchanges in the same articles during the corresponding period of 1864.

* The Treaty came into operation on the 1st July, 1865.

Description of Articles.	Second Half of 1865.		Second Half of 1864.		Second Half of 1865.	
	Rate of New Tariff.	Quintals.	Rate of Tariff of 1851.	Quintals.	Increase. Quintals.	Decrease. Quintals.
	Fr. ct.		Fr. ct.			
Rags, waste paper, &c.	0 4	5,702	0 15	4,561	1,141	..
Trees, ornamental shrubs, hot-house plants, &c.	0 20	2,025	3 50	1,237	788	..
Alabaster and marble	0 15	1,046	0 30	692	354	..
Chestnuts, fresh and dried	0 15	11,454	0 30	4,049	7,405	..
Nitre	0 30	6,256	0 75	4,091	2,174	..
Books, engravings, lithographs, music, lithographic stones, pictures, &c.	0 50	7,454	..	..	..	..
Formerly—Books, music, and pictures	..	..	3 50	6,523	931	..
Engravings and lithographs	..	..	8 0			
Lithographic stones	..	..	1 50			
Oil of all kinds	0 50	151,274	..	..	..	..
Formerly—Common oils	..	..	0 30	141,059	10,215	..
Table ditto	..	..	3 50			
Tallow and other fatty substances	0 50	12,033	0 30	8,474	3,559	..
Beer in barrels	0 75	20,504	1 50	15,490	5,014	..
Lead in sheets or pipes, and leaden shot	0 75	6,317	1 50	4,309	2,008	..
Blown glass, green and brown, empty bottles, &c.	0 75	9,040	1 50	7,318	1,722	..
Purified sulphur	0 75	1,243	1 50	2,631	..	1,388
Soap of all kinds	0 75	16,215	..	..	..	..
Formerly—Soap made of oil	..	..	0 75	13,522	2,693	..
Soap made of tallow	..	..	2 0			
Common pottery of all kinds	0 75	6,105	1 50	8,565	..	2,460
Wax and stearine, raw and purified	0 75	934	..	..	..	..
Formerly—Raw	..	..	1 50	790	144	..
Refined	..	..	3 50			
Cast iron of all kinds	1 0	113,801	..	..	..	..
Formerly—Raw	..	..	0 75	32,389	81,412	..
Wrought	..	..	3 50			

Description of Articles.	Second Half of 1865.		Second Half of 1864.		Second Half of 1865.	
	Rate of New Tariff.	Quintals.	Rate of Tariff of 1851.	Quintals.	Increase. Quintals.	Decrease. Quintals.
	Fr. ct.		Fr. ct.			
Bamboos and canes	1 50	138	3 50	127	11	..
Steel of all kinds	1 50	5,922	..	..	..	..
Formerly—Raw steel	..	..	1 50	7,248	..	1,326
Steel in sheets, and steel wire	..	..	3 50			
Fish—salt, dried, smoked, &c.	2 0	2,865	3 50	2,612	253	..
Meat, bacon, and sausages	2 0	5,365	3 50	5,068	297	..
Optical, mathematical, and physical instruments	2 0	169	8 0	387	..	218
Cheese	2 0	4,535	3 50	2,993	1,542	..
Silk, and floss silk, raw	2 0	11,252	3 50	11,020	232	..
Ditto bleached, and sewing silk	3 50	154	8 0	194	..	40
Arms of all kinds	2 0	515	..	..	..	..
Formerly—Those for Federal army	..	..	2 0	285	230	..
Those for private use	..	..	15 0			
Plaster casts of all kinds	3 50	269	..	..	..	..
Formerly—Unpainted	..	..	3 50	378	..	109
Painted	..	..	8 0			
Metallic tissues	3 50	116	8 0	159	..	43
Beds and mattresses	8 0	56	15 0	44	12	..
Eatables. (Articles of luxury)	8 0	1,781	15 0	1,329	452	..
New furniture	8 0	2,586	15 0	1,852	734	..
Articles in straw, fine	8 0	266	15 0	243	23	..
Tissues in silk, crape, and tulle	8 0	786	..	..	..	..
Formerly—Containing less than half of silk	..	..	8 0	1,422	..	636
Containing more than half of silk	..	..	15 0			
Wax candles, stearine ditto, articles in wax	8 0	974	15 0	471	503	..

Exports.

Description of Articles.	Second Half of 1864.		Second Half of 1864.		Second Half of 1865.	
	Per cent.	Value.	Per cent.	Value.	Increase.	Decrease.
		Fr.		Fr.	Fr.	
Wood, sawed or cut, charcoal	2	2,011,323	3	1,796,151	215,172	..
Felled wood, and wood for rafts	3	1,662,639	5	1,341,142	321,497	..
	Rate.	Quintals.	Rate.	Quintals.	Quintals.	Quintals.
	Fr. ct.		Fr. ct.			
Skins, dried, &c.	0 50	24,525	0 80	20,933	3,592	..
Tanner's bark	0 50	7,402	1 0	11,961	..	4,559
Tan and other barks, ground	0 50	2,624	0 80	3,777	..	1,153

The following figures show the increase in some of the most important exports of Switzerland in 1865 as compared with 1864 :—

	Exports in 1864.	Exports in 1865.	Increase in 1865
	Quintals.	Quintals.	Quintals.
Cotton yarns and twists	39,570	40,457	887
Cotton goods	162,822	180,680	17,858
Butter	14,047	30,008	15,961
Dried skins, &c.	42,576	47,317	4,741
Cheese	185,432	233,607	48,175
Linen tissues and ribbons	2,078	2,508	430
Machinery	53,516	61,111	7,595
Straw hats and plaited straw	4,458	5,828	1,370
Extract of absinthe	6,232	10,152	3,920
Seeds	4,503	7,460	2 957

Unfortunately other events of the greatest magnitude had a baneful influence on trade, which more than counterbalanced the advantages of the French Treaty. The sudden termination of the war in the United States, and the oppressively high Tariff introduced in that country told fatally on the most important branches of Swiss manufactures. Swiss jewellers, cotton-spinners, and makers of embroidery, suffered the most from this state of things.* Next to them the silk spinners had the greatest difficulties to contend with, partly on account of the same causes, and partly on account of the silkworm disease. At the commencement of the year work was so slack at Bâle and in the other centres of the ribbon manufactures that a number of weavers destroyed their hand-looms and emigrated to the United States; so that towards the close of the year, when to some extent trade revived and orders came in, a great want was felt of skilled workmen to execute them. The Swiss silk dyers do not seem to have kept pace with the improvements of the age, for many

* Of the importance and difficulties of the cotton spinning interest, some conception can be gained by the fact that in the little canton of Glaris alone (with a population of 33,363 souls), 10,000 persons are employed in the mills. There are 22 000 spindles, 2,800 weaving-looms, 4,200 tables for printing by hand, and 50 for printing by machinery. The fluctuations in the cost of raw material—which in 1864 reached to four times its habitual price, and fell, in 1865, from 25½ deniers a-pound (in January) to 13 deniers a-pound (in April)—caused fearful losses to the mill-owners, and brought great hardships to the spinners and weavers. The crisis was borne, however, by all concerned with a manful spirit, worthy even of Lancashire.

manufacturers now send their stuffs and ribbons abroad to be dyed, especially in black.

It may further be noted of 1865 that it was not more favourable to agriculture than to industry. The severe winter, 1864–65, and the excessive dryness of the first six months of the year produced poor crops, which were gathered in the midst of rain. Large quantities of wheat and barley were imported from Germany, Hungary, and Russia, and in some districts of Switzerland an inclination was shown to turn into meadows, land which had formerly been devoted to the production of cereals. One class of the community alone, and a most important one in Switzerland, will preserve a grateful remembrance of 1865, the Swiss innkeepers namely, whose houses were filled throughout the summer by an unprecedented number of tourists. New hotels and pensions sprung up in all directions, and the influx of strangers was great enough to be considered worthy of notice in the Federal Report, coupled with the pious and characteristic hope that "they may not have brought with them and left to take root on Swiss soil many foreign things ill-suited to a Republic."

Before taking leave of the year 1865, it is right to mention the remarks it suggests to the Federal Department of Commerce respecting the falling-off in quality of some of the productions of Swiss industry. These remarks, which strikingly resemble those we have of late heard made respecting our own industry, point to the fact that the same productions in foreign countries have made such progress as to outstrip Swiss competition both by beauty of design and greater cheapness of production. Thus the exportation of Swiss watches to America is said to have diminished by half, whilst American watches are already competing with those of Swiss manufacture in several foreign markets.

The same observations apply to Swiss embroidery and Swiss cheese, formerly unrivalled, and now subject to very serious and successful competition. The chief advice given to Swiss manufacturers appears to be summed up in an invitation to endeavour more to consult the taste of purchasers and the peculiarities of different markets.

If the year 1865 was distinguished by the termination of the American war, so too was 1866 rendered memorable by the Austro-Prussian campaign. Up to the very eve of hostilities unaccustomed animation had become visible in

most branches of Swiss industry, and in the face of a thriving and increasing trade it was hard to believe in the impending struggle. The war came, however, and brought with it complete stagnation for a time. Fortunately its short duration rendered its effects less disastrous than might have been feared, and, taking the whole year, there is as regards Switzerland a notable increase in the exports and imports and transit trade over those of 1865.

GENERAL TRADE; 1865 and 1866.

	Imports.		Exports.		Transit.	
	1865.	1866.	1865.	1866.	1865.	1866.
Live stock ... ... pieces	204,524	221,868	123,412	119,239	97,825	111,187
Articles taxed according to value ... ... francs	426,114	467,834	7,108,963	6,428,475	...	...
Articles taxed by load	561,954	545,741	73,572	75,883	35,634	36,936
Articles taxed by quintals ...	8,292,291	8,769,580	1,084,671	1,192,097	183	981,478
Articles admitted free	577,906	623,240	727	183	...	86,276*

* All cereals have been exempted from Transit Dues since September 1, 1866.

Owing to the bad harvest of 1865 there was a considerable increase this year in the importation of grain, great quantities of which were supplied by Hungary, and both the exports and imports of wine were larger than those of the previous year. The cotton industry of the country held its own far better than could have been expected, and judging by the large imports of raw material and dyeing stuffs, the cotton-spinners appear to have had good hopes of the future. One of the results of the war was to open a new market for Swiss cotton goods in Venetia. In general, however, the Italian markets show a tendency to become less lucrative, considerable quantities of cotton and half-cotton goods, as also linen drills, being now made in Central Italy, and only the higher class of Swiss cotton articles finding any favour. Cholera and the forced paper currency likewise acted perniciously on the trade of Switzerland with the Italian peninsula.

On the other hand, the silk and especially the ribbon trade had much to suffer. Not only had it to contend with the dearness of the material derived from Italy, where the silkworm disease had made great ravages, and with the crushing duties levied in its principal market, the United States; but special circumstances arose in the course of the year which proved fatal to the trade. As

above stated, all goods exported to American ports must be accompanied by invoices legalized by the American Consular Agents in Switzerland. These invoices or certificates of value gave rise to great difficulties; it was pretended in America that they understated the real value of the goods, and the Custom-house authorities at New York seized, on the plea at an attempt to fraud, all the ribbons sent by no less than seven houses of Bâle. The Swiss account of this delicate transaction states that certain persons, either rightly or wrongly suspected of being secret agents of the New York Customs, had been sent all over Europe with a view to ascertaining the cost of articles destined to the American markets, and that on the strength of the data thus collected, they brought charges of fraud against the exporters whenever the value declared in the invoices happened to be less than the prices which had been stated to them in the course of their inquiries. By these proceedings the veracity of documents legalized by the American Agents in Switzerland themselves would seem to be called in question.

The year 1867, the advent of which had been looked forward to with impatience in connection with the Universal Exhibition at Paris, proved false to all the hopes entertained of it. It was emphatically a "bad year" for almost every branch of industry, and a year of great suffering to all classes. The uncertainty of peace, the dearness of bread consequent on the wretched harvests of 1865 and 1866, the unusually low rate of discount and the numerous commercial failures consequent on the German and American wars, all weighed heavily on the community. Capital was left to accumulate in banks, or was invested in State loans instead of being embarked in trade or applied to industrial undertakings. Of the general falling-off of trade, some idea can be gathered by the following Comparative Tables for the years 1864–67:—

GENERAL TRADE during the years 1864–67, according to the Classifications of the Customs Tariff.

	1864.	1865.	1866.	1867.	Annual Average.
IMPORTS.					
Live stock, bee-hives with bees ... pieces	236,702	204,524	221,868	242,931	226,506
Articles taxed according to value, such as agricultural implements, carts, grinding-stones, &c. ... ... francs	955,155	426,114	467,835	406,458	563,890
Articles taxed by load, viz.; produce of the soil, lime, plaster, wood, planks, &c. ... ... loads	522,621	561,954	545,741	532,516	540,708
Divers goods ... ... quintals	7,952,256	8,292,291	8,769,581	8,591,323	8,401,363
„ duty free ... ... „	647,909	577,907	623,240	713,382	640,609
EXPORTS.					
Live stock ... ... pieces	89,616	123,412	119,239	120,418	113,171
Wood and charcoal to the value of ... francs	6,382,011	7,108,963	6,428,475	6,102,833	6,505,570
Articles taxed by load as above ... loads	68,267	73,573	75,883	74,949	73,168
Divers goods ... ... quintals	963,555	1,084,672	1,192,098	1,362,205	1,150,632
„ duty free... ... ... „	708	728	184	226	461
TRANSIT.					
Live stock, including that sent for summer pasturage ... ... pieces	94,480	97,825	111,187	108,744	103,059
Wood of all kinds and other articles taxed by load... ... ... loads	31,766	35,684	36,936	24,841	32,307
Goods ... ... quintals	795,602	807,720	981,478	879,241	866,010
„ duty free ... ... „	...	...	86,276*	548,464†	...

* Cereals in transit duty free during four months of the year 1866.
† Cereals in transit duty free during the year 1867.
The annual average (including the quantity admitted duty free) amounts to 1,024,695 quintals.

The year 1867, when compared with the year 1866, shows the following results:—

IMPORTS.

Increase in 1867.		Decrease in 1867.	
Live stock ... ... pieces	21,063	Articles taxed according to value ... ... francs	61,377
Goods duty-free, chiefly railway plant and raw agricultural produce ... ... quintals	90,142	Articles taxed by load ... ... loads	31,225
		Goods taxed by quintal ... quintals	178,258
EXPORTS.			
Live stock ... ... pieces	1,179	Wood and charcoal of the value of ... ... francs	325,643
Goods taxed by quintal ... quintals	170,107	Articles taxed by load ... ... loads	954
„ duty free... ... ... „	42		
TRANSIT.			
Goods taxed by quintal and corn free of duty ... ... quintals	359,951	Live stock for summer pasturage pieces	2,134
		„ in transit ... ... „	369
		Goods taxed by load ... ... loads	12,095

As compared with the average of the last four years, 1867 presents more favourable results.

The greatest falling-off in imports took place in *wine in barrels*, as may be gathered from the following figures:—

Imports in—	Quintals.
1860	568,425
1861	755,830
1862	831,772
1863	773,725
1864	853,732
1865	954,399
1866	1,036,432
1867	807,845

On the other hand, the Swiss wines, especially the better class, seem to have maintained their ground, no diminution having taken place in their exportation. There was no perceptible change as regards *wines and liqueurs in bottle*, but the exportation of *absinthe* and *Kirschewasser* was less by half.

Beer in barrels, the import duty on which was reduced under the Treaty with France from 1 franc 50 centimes to 75 centimes per quintal, was imported in much larger quantities than before.

Imports of beer in—	Quintals.
1860	17,655
1861	22,768
1862	33,029
1863	31,496
1864	30,181
1865	20.502
1866	45,887
1867	42,119

The reduction of the "Ohmgeld" or excise levied in the Cantons doubtless contributed to this result, whilst competition with foreign malt liquors has produced salutary effects in the marked improvement of Swiss beer. The Swiss exports in beer are insignificant.

The grain trade was most active in 1867. At the beginning of the year prices were high on account of the bad harvests of the previous year both in Europe and America. A further rise took place towards August when the bad return of the crops in England, France, North Germany, Spain, Switzerland, &c., became known, and at the end of the year wheat reached the high figure of 40 francs per metrical quintal. Hungary and Eastern Europe were called upon to supply the deficiency, and enormous quantities of grain were dispatched along the railway lines leading from the Danube. Partly on account of the masses sent and partly from a want of sufficient rolling stock, large supplies were kept waiting at some of the Hungarian termini from September to December under the open sky. The large sums for storage which had to be paid to the railway companies, together with a loss of weight, both due to the inadequacy of the railway arrangements, likewise seriously affected prices.

IMPORTS of Corn and Flour since 1860.

	Corn.	Flour, &c.
	Quintals.	Quintals.
1860	3,113,081	502,657
1861	3,262,316	315,252
1862	2,666,155	198,859
1863	2,915,875	312,301
1864	3,083,135	510,438
1865	3,240,868	474,393
1866	3,615,144	379,583
1867	3,683,379	302,049

From the above it will be perceived that the quantity of flour imported was less than the average, whilst that of corn was larger by 500,000 quintals, and was the largest importation that had taken place since 1860.

In putting the average price paid in 1867 for a metrical quintal of grain at the moderate figure of 34 francs, we shall find that Switzerland spent in that year in the purchase of foreign grain, no less than 62,617,443 francs, and in subtracting from that figure the cost of an average importation of 3,197,614 metrical quintals at the usual price of 24 francs per metrical quintal; that is, 38,371,368 francs, we shall find that no less than 24,246,075 francs had to be disbursed in consequence of a deficient harvest. The average exportation of corn amounts to 36,167 quintals, and that of flour to 20,142 quintals. In 1867 both these increased largely, the first reaching the amount of 63,087 quintals, and the latter that of 46,600 quintals. The increase in the transit of corn, the duty on which was suppressed September 1, 1866, is still more remarkable. Up to 1866 it had never exceeded 100,000 quintals, and in that year it rose to 548,000 quintals.

An increase is also observable in the importation of coffee and sugar. The average quantity of those articles imported annually during the last eight years was 150,258 quintals and 225,311 quintals respectively. The Returns for 1867 show an increased consumption of about 12,000 quintals of the first and 11,000 quintals of the second of these necessaries.

The exportation of *cheese* rose to a figure it had never before attained, as may be perceived from the following:—

	Imports.	Exports.
	Quintals.	Quintals.
1860	6,025	146,789
1861	6,105	166,857
1862	5,323	172,042
1863	6,226	167,217
1864	6,713	185,435
1865	9,065	233,607
1866	9,675	251,044
1867	8,369	296,773
Average	7,188	202,470

The prosperity of the cheese trade, as proved by the increased demand for Swiss cheeses, likewise showed its effects in an increase in the imports and a diminution in the exports of butter.

BUTTER AND LARD.

	Imports.	Exports.
	Quintals.	Quintals.
1860	34,784	1,977
1861	37,548	2,147
1862	52,217	5,931
1863	59,555	9,268
1864	41,621	14,050
1865	27,303	30,000
1866	32,897	16,349
1867	44,985	10,309

The Table subjoined shows the value of the principal articles of food imported and exported by Switzerland during the year, together with interesting calculations as to the share of each article falling to each inhabitant :—

COMPARATIVE TABLE of the Approximate Value of the Principal Articles of Food Imported and Exported in 1867.

Name of Articles.	Valuation by Quintal.	Imports.			Exports.		
		Quintals.	Entire Value.	By head of Population.	Quintals.	Entire Value.	By head of Population.
	Fr.		Fr.	Fr. ct.		Fr.	Fr. ct.
Common salt	3	164,983	494,949	0 19·7	..	..	..
Cereals	17	3,683,379	62,647,443	24 94·2	63,088	1,072 496	0 42·7
Flour	25	302,049	7,551,225	3 00·8	46,610	1,165,250	0 46·4
Potatoes and fresh fruit	3	352,140	1,056,420	0 42·1	96,690	290,070	0 11·6
Rice	20	91,154	1,823,080	0 72·6	1,423	28,460	0 01·1
Butter	80	44,985	3,598,800	1 43·3	10,309	824,720	0 32·8
Cheese	60	8,369	502,140	0 20·0	296,773	17,806,380	7 09·3
Coffee	90	162,126	14,591,340	5 81·2	2,418	217,620	0 08·6
Coffee made of chicory	20	56,258	1,125,160	0 44·8			
Sugar	40	236,905	9,476,200	3 77·4	3,188	127,520	0 05·1
Meat, bacon, salt and smoked articles	100	10,132	1,013,200	0 40·4	19,053	1,905,300	0 75·9
Wine in barrels	15	807,845	12,117,675	4 82·7	19,183	287,745	0 11·5
Wine in bottles	50	7,175	358,750	0 14·5	..	..	..
Brandy and liquors in bottles	80	845	67,600	0 02 7	3,756*	300,480	0 12·0
Brandy and spirits of wine in barrels	50	104,353	5,217,650	2 07·8	2,418†	120,900	0 04·8
Beer	10	42,125	421,250	0 16·8	541	6,410	0 00·2
Southern fruits	75	17,480	1,311,000	0 52·2	..	..	..
Other eatables (delicacies)	200	3,508	701,600	0 27·9	..	..	..
Ordinary dried fruit	25	6,762	169,050	0 06·7	5,024	125,600	0 05·0
Total imports			124,214,532	49 47·8		24,277,951	9 67·0
Deducting the value of exports, or			24,277,951	9 67·0			
There remains a surplus of imports of			99,936,581				
Or per head of the population (2,510,494 souls) of				39 80·8			

* Extract of absinthe.
† Brandy and Kirschewasser.

Swiss Industry during 1867.

The Silk Industry of the country had great difficulties to contend with during the year. Raw silk rose to an unprecedented price, and the manufacturers, rightly foreseeing heavy losses in the future, displayed little activity in production. In addition to these general causes, Swiss ribbons have of late been excluded from the markets of the Zollverein by the foundation of large establishments which are able to produce the same articles at a reduction in cost of from 5 to 10 per cent.

Swiss *Silk Ribbons*, which formed the subject of a very complete Report sent by Mr. Dering from Berne a few years ago, comprised two categories, the "*articles courants*" and the "*articles façonnés*" or "*rubans de mode*," the latter of which are principally made at Bâle. The comparatively small production of 1867 in articles of the first category, which fell far short of that of 1866, was caused by the state of the English and American markets. In the latter there was a perfect glut of these articles consequent upon a convulsive revival of trade after the conclusion of the war, and in addition thereto the inscrutable decrees of fashion in New York and other American cities proscribed the use of ribbons to ladies' bonnets, "thereby," to quote an official writer, "causing a veritable calamity." On the other hand, the British markets, which for some years past have been the safest and steadiest for these cheap and meritorious productions of Switzerland, were greatly affected by the monetary crisis, and fashion not following the same dictates on this as on that side of the Atlantic, would hear nothing of "rubans courants," giving its verdict in favour of "rubans façonnés." Unfortunately for the latter interesting articles, this taste seems to have been exclusively British, and may possibly be questionable on æsthetic grounds. As yet the ribbons of Bâle show great inferiority to those of France, both as regards colour, taste of design, and quality.

The *Cotton Industry* suffered even more this year. The prices of raw cotton, which had attained an unusual height the previous year, fell so rapidly and so continuously as to upset all the calculations of the manufacturers, and in the second half of the year no sales could be effected except at enormously reduced prices, although the articles sold were made of high-priced cotton. In England and in

Northern Europe, as well as in Italy and the East Indies, Swiss cotton goods found a very indifferent market, and it was only towards the close of the year that an increase in the exportation of cotton yarns, especially to Austria, and of printed cotton goods to the Levant was noticeable. Under these adverse circumstances, it may be put to the credit of the manufacturers that they kept their mills open at a heavy loss, and in no instance stopped working. The opening of new establishments would seem to give better promise for the future, though the condition of the cotton-growing States of the American Union offers little prospect of a sufficient supply of material being forthcoming at the present remunerative prices.

Neither was the *Linen Industry* very flourishing in 1867. The small production caused by a short flax harvest did not suffice to make up for the deficit of former years. More attention is being paid, however, to this branch of industry, and the Government of Berne, for instance, recently engaged the services of a Belgian gentleman of experience to superintend the cultivation of flax at the Cantonal Agricultural School. The dearth of cotton during the American war had given rise to great increase in the number of flax spindles, and the growth of flax not keeping pace with the demand, the manufactured produce fell in price whilst the raw material remained at a high rate. This led to a suspension of work in many flax spinneries, both in Switzerland and elsewhere, especially in the north of France. Two other causes told against this industry, the rapidly increasing supplies of cotton, which affected the value of linen goods, and the partial loss of the Italian markets, which have become in a measure self-supporting, and in 1867 took at least one-third less than formerly of Swiss linen articles. Notwithstanding these adverse circumstances, flax-spinning is everywhere on the increase, especially in the Canton of Berne.

Great improvements would seem to be called for in the Swiss methods of *bleaching yarns*, as also of *dyeing silks in black*. At present there is an increasing demand for free passage for these goods on their way to be bleached and dyed abroad, a certain quantity of them being sent as far as England, notwithstanding the heavy cost of transmission to and fro. On the other hand, progress has been made at Bâle and elsewhere in the fabrication of dyes of various colours, especially the so-called aniline dyes.

The Swiss trade in *Watches and Jewellery* seems to have very much deteriorated, and loud complaints are heard of the inferior quality of the articles produced, and of the damaging effect to the reputation of this important branch of industry. Fashion, which, as was seen above, dealt heavy blows this year to the ribbon trade, still more seriously affected the *Straw-plaiting Industry* by introducing *chignons*, and reducing bonnets of all kinds to microscopic dimensions.

The *Iron Trade* was tolerably active during the year. Switzerland possesses six smelting works, which produce annually from 130,000 to 150,000 quintals of pig-iron, and 4 "forges à martinel," which turn from 110,000 to 120,000 quintals of that quantity into forged iron, the rest being sold as cast-iron. The surplus of Swiss consumption is supplied by foreign countries, England mostly furnishing cast iron, and Belgium and Germany forged iron.

IMPORTS and EXPORTS of Iron during the Years 1860–1867.

	Raw Pig Iron.		Forged Iron.			Sheet Iron and Iron Wire.		
	Imports.	Exports.		Imports.	Exports.		Imports.	Exports.
	Quintals.	Quintals.		Quintals.	Quintals.		Quintals	Quintals.
1860	119,400	12,515	1860	126,300	5,606	1860	57,400	941
1861	149,200	26,012	1861	152,100	5,244	1861	62,800	1,675
1862	192,000	32,505	1862	178,000	6,623	1862	61,400	994
1863	159,300	37,178	1863	185,700	11,303	1863	68,800	1,481
1864	160,900	19,641	1864	217,100	4,654	1864	72,300	877
1865	191,500	26,371	1865	165,200	13,999	1865	69,100	1,510
1866	168,600	47,848	1866	175,800	4,597	1866	73,800	1,643
1867	209,600	24,742	1867	194,700	23,502	1867	75,700	2,246

IMPORTS of other kinds of Iron used in Switzerland.

	Iron for Building Machinery.		Sheet Iron of Large Size.		Cast Iron.	
	Exports in	Quintals.	Imports in	Quintals.	Imports in	Quintals.
1860		35,300	1860	9,000	1860	62,000
1861		32,000	1861	11,900	1861	46,000
1862		46,900	1862	20,000	1862	63,300
1863		48,700	1863	18,600	1863	50,300
1864		52,700	1864	11,000	1864	51,600
1865		43,700	1865	14,700	1865	152,600
1866		52,400	1866 . ..	10,700	1866	121,000
1867		49,300	1867	15,400	1867	64,100

From the foregoing Table it will be seen that the annual average importation of cast iron amounts to between 50,000 and 60,000 quintals. The unusually large quantities imported in 1865 and 1866 (152,600 quintals and 121,000 quintals respectively) were principally used in the construction of extensive water-works in some of the principal towns of Switzerland, Bâle alone having employed 10,000 quintals in water-pipes. The indigenous production of iron suffices for about two-fifths of the pig-iron and forged-iron required. The quality of Swiss iron is much esteemed; but the cost of production in a country where wood is used for fuel instead of coal makes it a matter of great difficulty for Swiss ironmasters to compete on anything like even terms with those of Belgium and Germany.

Machine-making prospered in Switzerland during the year 1867, as shown by the increase of exports, and the *fabrication of small arms* received a great impulse from the new armament decreed for the Federal army. Of the two following Tables the first contains a summary of the trade of Switzerland with the four neighbouring countries of France, the Zollverein, Austria, and Italy during the year 1867, as compared with the two preceding years; whilst the second gives a general account of the Swiss exports to the United States during the same triennial period:—

Trade with Neighbouring States.

	Live Stock.—Pieces.			Value.			Loads.			Quintals.		
	1865.	1866.	1867.	1865.	1866.	1867.	1865.	1866.	1867.	1865.	1866.	1867.
With France.												
				Fr.	Fr.	Fr.						
Imports	95,227	99,876	111,210	207,239	297,380	284,783	424,827	366,772	332,873	4,276,162	4,975,407	4,401,480
Exports	59,399	60,540	65,582	5,563,819	5,303,697	4,824,047	35,329	36,765	47,941	534,688	639,555	682,931
Transit	29,864	40,247	42,920	..	..	..	11,289	25,482	15,852	455,438	650,077	937,700
Total	184,490	200,663	219,712	5,771,058	5,601,077	5,108,830	471,445	429,019	390,666	5,266,288	6,265,039	6,022,111
With the German Zollverein.												
Imports	67,679	71,376	73,999	186,455	143,489	98,450	140,128	146,397	170,889	2,859,060	3,048,350	2,806,958
Exports	24,179	20,309	24,505	347,394	214,938	335,779	30,195	32,085	17,990	369,558	356,735	474,292
Transit	8,860	7,989	7,268	..	..	..	19,768	7,487	6,202	200,460	233,064	305,086
Total ..	100,718	99,674	105,772	533,849	358,427	434,229	190,091	185,969	195,081	3,429,078	3,638,149	3,586,336
With Austria.												
Imports	20,954	22,911	31,521	7,937	8,152	5,276	16,762	15,958	14,979	526,670	734,488	1,451,094
Exports	5,173	4,414	6,123	22,041	4,757	3,548	1,684	890	1,939	34,512	36,409	50,804
Transit	7,175	7,531	6,218	..	..	..	265	316	54	29,349	39,832	65,346
Total ..	33,302	34,856	43,862	29,978	12,909	8,824	18,711	17,164	16,972	590,531	810,729	1,574,244
With Italy.												
Imports	20,664	27,705	26,201	24,483	18,814	17,949	17,140	16,614	13,775	691,976	634,576	638,173
Exports	34,661	33,976	24,208	1,175,708	905,083	939,459	6,364	6,143	7,079	146,642	159,582	154,404
Transit	51,926	55,420	52,338	..	..	..	4,362	3,651	2,734	122,473	144,781	119,574
Total ..	107,251	117,101	102,747	1,200,191	923,897	957,408	27,866	26,408	23,588	961,091	938,939	912,151

Swiss Exports to United States of America during 1867, as compared with 1866 and 1865.

Articles.	1867. 1st Quarter.	1867. 2nd Quarter.	1867. 3rd Quarter.	1867, 4th Quarter.	Total, 1867	Total, 1866.	Total, 1865.
	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.
Silk, tissues and silk ribbons .	6,764,812	2,808,783	6,199,918	3,044,560	18.818,073	31,766,072	29,970,464
Cotton goods	809,872	294,259	448,527	485,672	2,038,330	5,173,296	4,268,900
Embroidery	1,189,964	631,588	778,972	553,563	3154,087	3,236,138	1,132,231
Articles in straw	971,812	364,670	498,711	597,212	2432,405	3,179,795	1,521,184
Watches, clocks, and parts of clocks	2,404,174	2,297,343	2,895,938	2,764,963	10362,418	13,093,408	11,301,954
Musical boxes	51,399	66,303	79,165	68,329	265,196	300,108	108,399
Cheese	153,864	209,935	299,305	164,543	827,647	700,130	490,895
Leather	46,361	32,133	41,847	36,393	156,734	110,885	..
Different Articles	191,154	225,235	377,260	411,779	1,205,428	1,098,541	486,022
Total	12,583,412	6,930,249	11,619,643	8,127,014	39,260,318	58,658,373	49,280,049

In the month of March 1866 the Federal Department of Trade and Customs addressed a circular to all the Cantonal Governments requesting them to send in all the information that could be gathered respecting the actual condition of agriculture and industry throughout the country. The Reports for the year 1867, drawn up in consequence of this request, in many instances reached Berne too late this year to enable me to make any use of them; but the following extracts from those that had been published before I left Switzerland may not be devoid of interest. Unfortunately, among the missing Reports are those of Cantons, like Zurich and St. Gall, by far the most important seats of the national industry.

Cantonal Reports.

Berne.—A somewhat tardy but beautiful spring ushered in the agricultural year of 1867 with hopes that were almost entirely destroyed by a heavy snow-fall on the 23rd of May, which reached down to the valleys and did serious damage to a vegetation already far advanced. The summer was wet, and the wheat when gathered in was found to be of inferior quality, the ears being light and the yield in many parts of the Canton less by half than that of ordinary good years. The potato crop was better, and the roots showed much less disease than in the previous year. The mountain districts fared far better than the plain; the Alpine pastures were excellent, especially when the shortness of a season, marked by the snow-falls of 23rd May and 5th October, is taken into consideration. 1867 thus become a wonderful year for the fabrication of cheese and butter; and the Emmenthaler cheese of the Canton carried off the gold medal at the Paris Exhibition. Both *cheese-making* and *cattle-breeding* are steadily improving in this Canton, the latter source of agricultural wealth deriving much benefit from the advice and example given by the Agricultural Societies of the Canton. The trade in cattle was very brisk throughout the year, as many as 13,882 head of horned-cattle being brought to the Berne market alone. The prices obtained were exceptionally high, as much as 500 francs being given at some markets for fine cows.

Although not ranking high among the industrial Cantons of Switzerland, the large area and population of Berne give importance to its trade and manufactures. Both suffered this year from the same causes that have

spread ruin and distress throughout the length and breadth of Europe. Great complaints are heard that in times of crisis like the present the Swiss producers are frequently undersold in their home-markets by the influx of masses of British, Belgian, and other cheap goods, which are sought to be got rid of at any price. One of the most interesting branches of Bernese industry, watch-making namely, one of the principal seats of which is to be found in the Jura and Leeland districts of this Canton, suffered most of all from the general stagnation of business. Although the production of watches *en masse* shows rather a tendency to increase, the prices are becoming less and less remunerative; large quantities of common watches, which, a few years ago, were sold at from 25 to 30 francs a piece, are now parted with for from 10 to 12 francs, and the wages of the skilled workmen employed in the fabrication have fallen beneath those of common journeymen. Attempts have further been made, and, as far as is known, successful ones, to concentrate watch-making by making the entire watch in one single factory. This scheme, if generally carried out, would not only produce an entire change in the trade, but would destroy one of its most interesting features by putting a stop to the present system by which the workmen are allowed to make the parts of watches confided to them at home and with the assistance of their families.

Another Bernese industry which presents the same pleasing characteristics of affording profitable employment to both young and old of both sexes under the family roof-tree during the long and trying Alpine winter-season, the *wood-carving*, namely, of the Oberland, fared better during this year. It is said to produce, at a low estimate, 2,000,000 of francs every year, and has of late, since the establishment of the Brienz School of Design, evinced great progress and a much nearer approach to art.

The *Heimberg Potteries* in the district of Thun furnish another instance of a very ancient Cantonal industry which shows with watch-making and wood-carving the advantage of giving work to the women and older children. Although the products of these potteries seem at present to be to some extent driven out of their home-markets by foreign stone and earthen-ware goods; promising efforts are being made to improve them both in shape, colour, and design.

Notwithstanding the difficulties that attended all *cotton*

spinning and weaving, and the ruinous fall in the price of raw cotton, the same quality which at the beginning of the year was worth 150 francs a quintal, having at the end sunk to 80 francs per quintal, this industry has very recently taken firm root in Bernese soil, by the opening of the great cotton mills of Messrs. Henggeler and Graffenried at Felsenau, near Berne. This establishment, of which I have given some account in a former Report, employs 500 workmen, and works at present 22,000 spindles. It is to be increased in the course of the present year to the number of 55,000 spindles.

The silk weaving establishment belonging to M. Simon, at Berne, was flourishing last year, in contrast to similar establishments at Bâle. It only manufactured plain goods, and has done sufficiently well to encourage the proprietor to raise the number of looms from 50 to 200, thus giving employment to about 120 workmen.

The silk and cotton factories at Herzogenbuchsee and Wanzwyl, belonging to one firm, give occupation to 960 persons. Of these, one-third are children who attend the factory school at the latter place. This firm send their articles to every quarter of the globe, and of course have felt with others the effects of the general distressed condition of trade.

The red dyeing works at Wangen employ 150 workmen, and are able to produce daily 1,000 lbs. of Turkish red yarn. These works have been largely increased of late, and have been fitted with the last improvements.

The parqueterie-making works at Interlaken had seen their sales increasing yearly up to 1864; they have, however, lost considerable ground since then, as may be gathered from the following figures:—

	Francs.
In 1864, 401,119 square feet of parquet (or inlaid floors) were sold for .	366,472
1865, 344,348 „ „ „ „ .	320,798
1866, 330,194 „ „ „ „ .	326,183
1867, 273,196 „ „ „ „ .	237,866

The Paris Exhibition sent on its visitors in large numbers to Switzerland in 1867, and the *pensions and inns of the Oberland* prospered greatly during the course of the summer. The daily number of tourists in the Oberland at the height of the season during the months of July and August, has been reckoned at 3,000, whilst calculations based upon researches made respecting the last thirty years, show that the number of travellers doubles in from

eight to ten years, increasing therefore yearly at the rate of about 10 per cent.

The small Canton of *Zug* has sent in a very exhaustive Report for the year, from which I extract the following information :—Although its inhabitants are mostly engaged in industrial pursuits, much cattle is bred in the more mountainous districts of the Canton. The establishment this year, in the Commune of Cham, of a firm trading under the name of the "Anglo-Swiss Condensed Milk Company," has opened a new source of revenue to the owners of cattle. This Company give 17 francs per "saum," or 3 francs more than the customary price paid in the "Käsereien" or cheese-making farms, and at the end of the year 1867 consumed daily 1,400 "maass" (measures). The produce is chiefly sent to England, but finds its way likewise to all the most important European markets, with the exception of those of the Zollverein, where it is too heavily taxed.

The flourishing *cotton industry* of Zug is indebted for its origin chiefly to the exertions of "National Rath" Henggeler, of Unteregeri, who was the first to turn to account the extensive water supplies of the Canton. The first cotton spinning-mill was built at Unteregeri in 1832, and was followed by the establishment for weaving by machinery, built in 1847 on the Lorze at Zug. In 1854, the large cotton spinnery on the Lorze at Baar was begun. The works here are of colossal proportions, comprising two wings of four stories, each 320 feet long, with a centre building. Another spinning-mill was opened in 1862 on the Lorze at Cham. The following establishments are at present at work in the Canton :—

A. Spinning Mills.

Commune.	Spindles.	Raw Cotton used.	Quantity of Yarn produced.	Numbers of Yarns.	Workmen Employed.	Money paid in Wages.
		lbs. (½ kilo.)	lbs. (½ kilo.)			Francs.
1. Unteregeri ...	9,000	194,944	116,774	36 to 140	130	61,500
2. Neuegeri	15,272	357,901	282,288	36 140	240	106,000
3. Baar (on the Lorze)	65,000	1,423,169	1,274,383	4 100	603	268,856
4. Cham	22,000	700,000	630,000	10 44	235	90,000
Sum	111,272	2,675,814	2,303,445	4 140	1,208	526,356

B. Weaving Mills.

Commune.	Looms.	Ells of Cloth made.	Width of Cotton.	No. of Workmen.	Money paid in Wages.
					Francs.
1. Zug (on the Lorze)	230	1,143,481	23″ to 43½″	90	45,000
2. Unteregeri	197	1,423,667	14 34	115	65,000
Total	427	2,567,148	23 43	205	1 0,000

According to the above figures the number of cotton spinners and weavers in the Canton amounted to 1,413, receiving yearly wages to the extent of 636,356 francs. There was 1 spinner to every 92 spindles, and 1 weaver to every 2 looms. The entire Canton may indeed be described as one large workshop, 1 out of 14 of the whole population (19,608 according to the last census) being engaged in manufactures.

The year was bad for cotton industry here as elsewhere, and amongst the subjects of complaint to be noted in the Cantonal Report, one specially refers to the "crushing competition of English manufacturers who inundate the continent with their yarns." It seems too (though no special reason is assigned for it), that the distant markets of China, Japan, and the East Indies were closed last year to Swiss cotton goods. One establishment alone, which in 1866 kept 30,000 spindles at work all the year round on Japanese articles, sold next to nothing in those regions last year. The price of a piece measuring about 45 ells, which at the beginning of the year ranged from 20 to 30 francs, had fallen at the end to from 10 to 15 francs, inflicting serious loss on the manufacturer. The *silk manufactures* which are, so to speak, attended to only by the female population form an important part of the resources of the Canton. They were introduced from Zurich shortly after 1830; the weaving is done at home by the women, chiefly in the mountain communes; about 1,100 persons are employed in this industry, making about 250,000 francs a year, at an average of from 4 to 5 francs wages a week. The stuffs made are chiefly of a lighter quality (marcelines, gros de Naples, quadrillés, and rayés), and measure from 14 to 22 inches wide. One silk weaver is to be found in the Canton out of eighteen inhabitants. There are also some paper mills. Taking all the factories, &c., together, 1 person out of $7\frac{1}{2}$ inhabitants is engaged in industrial pursuits.

The Canton of *Lucerne* furnishes a very detailed account of the state of its agriculture. The prices given in the following figures show that the year was favourable for the owners of most kinds of live stock :—

Average prices given for—	Francs.	
Ordinary milch cows	250 to	350
Superior ,, ...	350	450
Thoroughbred ,, (Racenkühe)	450	600
A pair of fat oxen of from 5 to 6 years old ..	1,000	1,400
Bulls a year and a half old	300	400
Young calves a week old..	25	50
A pair of young pigs of from 4 to 12 weeks old	14	30
A fine horse (from 5 to 6 years old) ..	1,000	1,200
A draught horse	400	700

The raising of live stock is by far the most important source of wealth in this Canton, and considerable amount of cattle is exported abroad, good milch cows being sent as far as Spain. Pig breeding is carried on to a great extent, but without sufficient attention being shown to the introduction of pure breeds.

The industry of this hitherto essentially agricultural Canton shows signs of development. The industrial establishments comprise, amongst others, 2 *silk spinning mills for flock silk,* which provide work for about 300 hands, and produce on the average 40,000 kilogrammes of middle-sized flock silk yarns, paying 110,000 francs a-year in wages, and 2 manufactories of *horse-hair tissues,* with about 1,000 workmen, receiving wages to the amount of 100,000 a-year. *Machinery* is also made at Kriens in this Canton, in a factory which employs 200 workmen, and pays 200,000 francs a-year in wages, producing about 15,000 zentner (cwts.) weight of engines, &c. The water power furnished by such streams as the Reuss and Emme, if properly utilized, would be invaluable for all industrial purposes.

The industry of *Schaffhausen* seems to be prosperous, and gives work to from 1,000 to 1,200 persons, principally engaged in the fabrication of *machinery,* and in the *small arms factories* of which there are several.

The reply sent by *Neuchâtel* to the Federal Circular, is the more unsatisfactory that the industry of this Canton is one of the most interesting in Switzerland. The Cantonal authorities state that with respect to agriculture considerable progress has been made of late, but that no information can be given respecting trade and industry, the Industrial Associations of Locle and Neuchâtel having declared themselves unable to answer the queries put to them, and the Society of La Chaux de Fonds not having replied at all.

The Canton of the *Grisons,* in addition to an account of the state of its agriculture, gives some interesting informa-

tion respecting the riches it possesses in its quarries of stone and marble. The *mines*, which in the seventeenth century gave employment to thousands of persons, have all been abandoned with the exception of two which have very recently been re-opened; the silver and copper mines at Lehamo, near Andur and Zillis, by an English Company, and the gold mine near Felsberg, by a French mining speculator. The results of these undertakings are said to be satisfactory. *Cotton spinning* is struggling hard to maintain itself in this Canton, although yarns sent by the great cotton spinning-mill near Chur obtained a silver medal at the Paris Exhibition.

The reports from *Glaris*, *Bâle Ville*, *Appinzell*, *Inner Rhoden*, *Aargau*, and *Thurgau*, contain little but lamentations respecting the depressed state of trade, and the ruinous losses inflicted on all branches of industry.

The report sent in by *Fribourg* states that the raising of cattle is developing itself more and more in the Canton, a marked increase having taken place in all kinds of live stock excepting horses, as shown by the following comparative statement of the numbers found at the census of December 31, 1866, and December 31, 1867.

		Cattle.						Other Live Stock.			
	Horses.	Bulls.	Oxen.	Cows.	Heifers.	Calves.	Total.	Sheep.	Goats.	Pigs.	Total.
1867	8,538	600	1,757	29,082	12,086	9,767	53,292	20,007	9,216	22,082	51,305
1866	8,679	641	1,861	27,641	12,644	8,991	51,748	19,560	9,048	20,189	48,898
Decrease	159	Increase					1,544	... ...			2,467

30,738 animals were killed in the course of the year, producing about 6,350,780 lbs. of meat, which divided amongst 105,532 souls found in the Canton at the general census of 1860, allows for an annual consumption of 60 lbs of meat to each inhabitant, a marked progress on the past. 42,296 quintals of cheese were produced during the year, representing at an average of 48 francs 24 centimes per quintal, a value of 2,040,359 francs. The only kind of industry deserving of mention in this Canton is *straw-plaiting*, which is said to give occupation to no less than 1,500 families, and which in ordinary times produces articles of the aggregate value of about 2,000,000 francs.

The Canton of *Geneva* furnishes a very detailed Report drawn up by the "Section d'Industrie et d'Agriculture de

l'Institut National Genevois." The superficies of this Canton is only $12\frac{27}{100}$ square Swiss leagues, or the 144th part of the entire superficies of the Confederation, whilst by the numbers of its inhabitants, it constitutes the thirtieth part of the whole population of Switzerland. As regards the density of its population compared with that of the rest of Switzerland, it stands in the proportion of 4·74 to 1, showing from 6,754 to 6,755 souls per square Swiss league against from 1,420 to 1,421 on the rest of Swiss territory. Of the number of the population (82,876 at the last census) 67,457 inhabitants fall to the town of Geneva and its suburbs, and 15,419 to the rural districts. The climate, which, for the latitude is relatively cold, and the want of depth of the soil are unfavourable to agriculture, and the cultivation of grain has been found so unremunerative as to be given up in many places in favour of vines and meadows. In 1867 the vines covered 1,647 hectares, or the 107th part of the whole area of the Canton, amounting in local computation to 6,100 "poses Genevoises," the "pose" being equal to about 36 ares.* 5,100 "poses" were utterly destroyed by frost in the night of the 24th May, and the yield of the 1,000 "poses" spared amounted to about 20,000 "sétiers" (the "sétier" is equal to $37\frac{1}{2}$ litres), which sold for upwards of 15 francs a-piece. The loss occasioned by this frost is reckoned at 2,568,000 francs, or 100,320*l*. The value of land in the rural communes of the Canton is very considerable, the average price of one hectare (two acres English) being reckoned at about 7,050 francs, and the interest for capital invested in land not exceeding 1 per cent. The numerous country houses and villas which surround the city of Geneva on all sides, and with their parks and gardens occupy a large proportion of the soil, sufficiently account for the exceptional value of land.

The condition of agriculture is very unequal; some portion of the land belonging to wealthy citizens, who spare no expense upon it, and have introduced every variety of experimental cultivation, while the rest remains in the hands of the peasant proprietors, and is in the same unprogressive state as that of other Swiss Cantons.

Commercially speaking, Geneva did not prosper in 1867. In addition to the results of the American war, the

* 1 are is equal to about 4 square poles English.

financial condition of Italy told heavily upon the industry in jewellery and watches.

The following official figures, taken from the accounts of the "Bureau du Contrôle" or Office for Hall Marks, sufficiently prove the falling-off in the trade:—

	1867.	1866.
Watch cases, stamped .. number	2,498	7,447
„ weight in ounces ..	1,661	4,157
Ounces of jewellery	1,618	901
Ounces of fine gold	1,218	2,232

It should be further added that there is a great diminution in the Returns for 1866 themselves as compared with those for preceding years.

The stream of tourists, whose presence in the Oberland was gratefully hailed this year, do not seem to have extended their travels to Geneva, for the number of travellers who visited that city during the season did not exceed 143.972, which is a low figure in comparison with other years.

The subjoined Table gives a list of the steam-engines employed in the Canton:—

No. of Engines.	To what use applied.	Steam horse-power.
3	Sawing and parquet making ..	37
4	Machine building	31
1	Lock making	5
1	Boiler making	3
3	Hydraulic engines	34
4	Typographical presses	10
4	Watch making	9
1	Gas works	5
2	Tobacco manufacturers	9
1	Pottery.	4
1	Engine at the Cantonal Hospital ..	6
25		153

Having brought this account of Swiss trade and industry down to the close of the year 1867, it only remains for me to add a few words respecting the condition of both in the year 1868.

The harvest was everywhere exceptionally favourable, and produced a marked fall in the prices of grain. The manufacturing interest, although still suffering at the com-

mencement of 1868 from the effects of four years of crisis and commercial distress, appears to be gradually recovering confidence, and is extending its operations with prospects of success; yet, notwithstanding these encouraging symptoms, the impress of the evil wrought by the prolonged stagnation of trade is far from obliterated; and the "Cantonal Blatt" of Lucerne, on one single day of June alone, contained no less than seventeen notices of bankruptcy, while in Bâle, at the same period, the sudden revulsion in the corn-market led to other bankruptcies and suspensions of payment.

The silk ribbon trade in the latter city is said to be showing renewed activity, large orders coming in from all quarters, and the work being so abundant as to have led to serious disturbances on the part of the weavers, who resisted the attempt to make them forego certain holidays and free hours, to which they considered themselves entitled.

There seem to be grounds for attributing these troubles in part to the instigation of foreign agitators, and to the counsels of the so-called International League of Peace and of the Lausanne Congress of Workmen, who, it will be remembered, were the authors of similar movements in the spring at Geneva. According to recent accounts, affairs took so threatening a turn at Bâle as to induce the Government to divide the city into military districts, severally placed in case of insurrection under the command of Federal officers.

The Federal Receipts from Customs, which in 1867 were less by 363,363 francs 48 centimes than those of 1866, had risen again in 1868, and showed during the first five months of the year a steady increase, as exemplified by the following Comparative Statement:—

	1867.	1868.
	Francs.	Francs.
January	592,407·80	635,931·32
February	596,020·42	701,860·78
March	659,030·46	823,250·11
April	687,676·55	796,270·28
May	707,281·24	720,855·81
	3,242,416·47	3,678,168·30

Or an increase of 435,751 francs 83 centimes on the five months.

The Swiss exports to the United States during the year ended September 30, 1868, will be found below.

Swiss Exports to the United States during the Year ended September 30, 1868.

Description of Articles.	From Consular Districts of Bâle.	From Consular Districts of Zürich.	From Consular Districts of Geneva.	Totals.
	Francs. c.	Francs. c.	Francs.	Francs c.
Silk ribbons ..	7,291,821 26	..	..	7,291,821 26
Silks (including belting-cloths, &c.)	[illegible]	[illegible] 95	..	12,956,664 35
Cotton goods ..	..	1,360,548 66	..	1,360,548 66
Straw goods ..	1,791,215 37	365,224 92	..	2,156,440 29
Embroideries ..	..	2,967,132 91	..	2,967,132 91
Watches	7,338,248 28	..	2,689,626	10,027,874 28
Musical Boxes ..	..	..	244,887	244,887 0
Cheese	1,050,172 40	..	..	1,050,172 40
Leather	..	..	215,761	215,761 0
Miscellaneous ..	1,592,455 4	461,019 77	27,034	2,080,508 81
Total ..	19,976,637 75	17,197,865 21	3,177,308	40,351,810 96

It appears from the above figures that the number of watches exported from Bâle was nearly three times as great as that exported from Geneva itself.

The persevering endeavours of the Federal Government to place the commercial relations of Switzerland with neighbouring States on a more liberal footing were rewarded this year by the final conclusion of Commercial Treaties with Italy and Austria. The various rival schemes for bringing the Swiss railway system into direct communication with that of Italy, which at one time led to such bitter discussion in the Swiss Press, will probably all, for the time, give way to the proposals said to have been recently laid by Mr. Fell before the Federal Council. If carried out, these Alpine lines will alter the whole position of railway affairs in Switzerland, and make the lines leading from north to south as flourishing as they have hitherto been the reverse. At present the Swiss lines are much too numerous for the actual requirements of the country, and having been built at great cost are worked in some instances at a dead loss. Next to Great Britain (excepting perhaps Belgium) Switzerland can show for its size and population the largest extent of railroad communication of any State in Europe, the amount in the former country being in the proportion of 747 kilomètres and in the latter of 530 kilomètres per 1,000,000 inhabitants,

France and Prussia following with 383 and 368 kilomètres respectively.

Banks of Discount upon Bond and Mortgage are very numerous in Switzerland, and are increasing daily. A Report by National Rath Feer-Herzog on the Bank of Argovie, states that "nowhere, with the exception perhaps of South Germany, can the owners of land ("der Gründbesitz") borrow with such ease as in Switzerland. Nowhere is credit organized to such an extent for their advantage, and nowhere do its benefits reach to the same extent into the remotest corners of the country and down to the smallest fractions of land." The result of so universal a system of credit is observable in the striking similarity of the rate of interest in all parts of the Confederation. It had of late years risen to 5 per cent., but has latterly sunk to $4\frac{3}{4}$ per cent.

In taking my definitive leave of Switzerland, I may perhaps be permitted to express a sincere wish for the further development of a prosperity to which her industrious and well-ordered population are fully entitled. If her sons no longer keep watch, faithful unto death, round foreign thrones, nor seek their fortunes in distant lands in military service, the spirit of enterprise is in no wise extinct in them, and at the utterмost ends of the earth they are yet to be found, pioneers and workmen in the grand army of commerce, everywhere carrying with them the memories of their native land, cherishing and faithfully observing its ancient customs and traditions, gathering at joyous "Liedertafel" and festive rifle-match, nowhere forgetful of the history which has made that wildest and most sublime of European regions, nestling in the heart of the continent under the ward and watch of its mightiest uplands, as dear to all friends of liberty as it is to all lovers of nature.

(Signed) HORACE RUMBOLD.

Russia.

Mr. Rumbold to Sir A. Buchanan.

Sir, *St. Petersburgh, January* 25, 1869.

I HAVE the honour to inclose herewith a translation of a summary of the Budget of the Empire for the year 1869. I also inclose copies of the Report of the Minister of Finance to the Emperor on that document which has just appeared and which suggests the following observations :—

The *Ordinary Gross Receipts* for the year are reckoned at 419,977,532 roubles (57,531,169*l.*), from which, however, should be deducted the anticipated deficit in receipts (non-valuers) reckoned at 3,000,000 roubles (410,959*l.*) and the cost of collection estimated at 46,438,983 roubles (6,361,505*l.*) (or rather more than 9 per cent. of the gross amount), leaving the net sum of 370,538,549 roubles (50,758,705*l.*) to be applied to the *ordinary expenditure* of the State. That expenditure being put at 385,712,623 roubles (52,837,346*l.*), a *deficit* of 15,174,074 roubles (2,078,778*l.*) becomes apparent, which, however, according to the Minister of Finance, will be covered by surplus sums (reliquats) unexpended under the estimates for 1867 as well as by the balances for 1868. There further appears in the Budget a sum of 15,804,495 roubles (2,164,999*l.*) specified as "Dépenses d'Ordre," or special expenditure balanced by a like sum under the head of "Recettes d'Ordre" or special receipts, no further details being given. Lastly, the Budget contains a sum of 31,123,303 roubles (4,263,466*l.*) described as *temporary extraordinary expenditure* for the construction of railways and for the harbours of Odessa and Riga, which is balanced by a like sum designated as special resources assigned to the payment of the said works.

The Minister points out an increase of 23,791,251 roubles (3,259,076*l.*) in the *ordinary receipts* for 1869 on certain articles of revenue, and a diminution of 14,281,421

roubles (1,956,360*l.*) on others, leaving an actual increase of 6,509.829 roubles (1,302,716*l.*) in those receipts as compared to 1868. The increase is due chiefly to the extension of taxation to persons who had previously been exempted from it: to the transfer to the Budget of the Empire of the sums derived from trading licences in the ten provinces of the Vistula, and to the gradually increasing yield of those imposts; to an increase of 1,107,000 roubles (151,644*l.*) in the excise on beet-root sugar, of 3,219,000 roubles (440,958*l.*) in the excise on drinks, and of 2,995,000 roubles (410,274*l.*) in the receipts from Customs. The decrease is observable principally in a loss of 3,999,000 roubles (547,809*l.*) due to the sale to the "Grande Société des Chemins de Fer" of the Nicholas (St. Petersburg to Moscow) Railway and the payment of interest on preference shares in that line; to a diminution of 3,573,000 roubles (489,452*l.*) under the head of casual receipts, and to a decrease of 1,360,000 roubles (186,302*l.*) in the temporary Customs receipts owing to the suppression of the 5 per cent. formerly added to all duties charged at the European frontier. The Minister considers that the actual increase of revenue may be reckoned at 19,000,000 roubles (2,602,739*l.*), while the decrease is due in a great measure, to purely temporary causes.

The estimate of expenditure for 1869 shows an increase of 13,221,768 roubles (1,811,201*l.*) over that for 1868. The chief increase appears under the head of the War Department (5,245,000 roubles) (718,493*l.*) and Finance Department (4,773,000 roubles) (653,836*l.*). The expenditure of the latter Department has been principally raised by an extension of the Pension List and by the extraordinary requirements of some of the Provincial Governments. The expenditure of the Navy Department is only increased by 223,000 roubles (30,548*l.*), whilst the Transcaucasian Provinces and the Kingdom of Poland cause an increase of 750,000 roubles (102,740*l.*) and 1,351,000 roubles (185,069*l.*) respectively. A diminution of expenditure amounting in all to 4,091,000 roubles (560,411*l.*) is thus divided: 541,000 roubles (74,110*l.*) under the head of Public Debt, 120,000 roubles (16,439*l.*) under that of Foreign Affairs, and 3,429,000 roubles (469,726*l.*) under that of Public Works.

The deficit for 1868, which was provided for by resources derived from the Anglo-Dutch Loan of 1866, amounted in

round numbers only to 12,500,000 roubles (1,712,329*l.*) whilst the probable deficit for the present year is estimated at more than 15,000,000 roubles (2,078,778*l.*), although the loss anticipated from non-collection of taxes is reckoned at only 3,000,000 roubles (410,959*l.*) instead of 4,000,000 roubles (547,945*l.*) as in the preceding year. On the other hand, a great reduction is to be noted in the expense of collecting the revenue, which this year is estimated to cost 8,500,000 roubles (1,164,385*l.*) less than it did in 1868. The expenditure on railways and harbours, fixed at 31,123,303 roubles (4,263,466*l.*), will very nearly exhaust the special funds derived from several loans appropriated to these purposes, since the whole amount of those funds at the beginning of this year did not exceed the sum of 33,851,000 roubles (4,637,123*l.*).

In concluding his Report the Minister of Finance expresses his satisfaction at the comparatively favourable character of the estimates for 1869, which he attributes in some measure to the partially abundant harvests of 1867 and 1868, following upon the exceptionally plentiful harvest of 1866, and likewise to the great impulse given to trade by the pressing demand for grain in Western Europe and the action of the railways, such as the Riazan-Kozlow line, which now penetrate some of the principal corn-growing districts of the Empire. His Excellency does not hesitate to attribute the increase visible during the last two years in all branches of the revenue to the beneficial results of the railway system, which are only just beginning to make themselves felt.

The publication *in extenso* of the Budget for 1869 enables me to add a few brief remarks to the foregoing.

The gross receipts from taxes of all kinds, both direct and indirect, are estimated this year in every instance at a higher figure than the presumed gross receipts from the same sources in 1868. The increased yield thus expected, which is reckoned at about 9,500,000 roubles, would, of course, point to a belief in a greater ability of the Empire to bear taxation, and, if borne out, will probably be due in a great measure to the vast revolution caused by the introduction of railways. The gross receipts from State domains and property are reckoned at 4,500,000 roubles less than the previous year, a diminution owing to the transfer of the Nicholas (St. Petersburgh to Moscow) Railway to a private Company, and to the smaller amount of

State lands to be disposed of by sale this year. Under the head of Miscellaneous Receipts I find the gross receipts from the revenue of the Kingdom of Poland calculated to yield nearly 2,000,000 roubles more this year than the last.

The revenue of the kingdom amounts to 15,208,386 roubles, of which 7,969,105 roubles are raised by taxation, and 5,619,672 roubles are derived from State property. The "Recettes d'Ordre," or special receipts, amounting to 15,804,495 roubles are in part derived from the sale of the produce of State mines and Government smelting-works. They contain, however, a sum of 9,349,079 roubles under the head of "Divers Reimbursements," without any further explanation.

Passing to the *expenditure* from 1869 I find that 76,097,804 roubles are to be applied this year to the payment of the interest on and redemption of the public debt, 35,173,868 roubles of which figure under the head of Foreign Debt, the rest being internal.

Under the head of "Holy Synod" (7,997,267 roubles) I find the sums assigned for the support of the clergy both in towns and in country districts put at 5,311,405 roubles, no very large contribution to a class which, including the families of the clergy, numbers over 600,000 souls.

The Civil List, comprising the dotations of the members of the Imperial Family, the maintenance of the palaces, the pay of the household, and the other expenses of a Court, the splendid hospitalities of which are unsurpassed, is fixed at 8,881,886 roubles, while the diplomatic interests of the Empire are ably watched over at a cost of 2,239,065 roubles.

The requirements of a military force, which, if it be as efficient as it is imposing of aspect, may well be deemed most formidable, absorb no less than 136,774,108 roubles, while the naval armaments of the country are provided for at a cost of 17,141,078 roubles. These figures, as compared with the military and naval expenditure for 1866, show an increase of 20,000,000 roubles in the estimates for the army, and a diminution of 4,000,000 roubles in those for the navy. Compared with the estimates for 1868 the expenditure for the army is larger this year by 5,000,000 roubles.

The Ministry of Finance appears for the sum of 77,389,377 roubles in the Budget for 1869, showing an

increase of 4,000,000 roubles over the expenditure in 1868. According to Mr. Michell pensions, grants, and charities, absorbed in 1866 nearly 20,000,000 roubles of the appropriations for this Department of the State. A recent number of the Russian "Gazette of the Academy" puts the number of persons drawing pensions from the Treasury in 1868 at 151,000 roubles, and the sums paid to them at 17,000,000 roubles. Forty years ago (in 1828) the same class only numbered 26,000 persons, receiving 2,800,000 roubles. From 1853 down to the present year the annual grant for pensions to 75,000 civilians averaged 9,000,000 roubles, the military pensions for the same period averaging 7,500,000 roubles a-year. According to the same authority it would appear that from 1807 to 1842 the number of both the civil and military employés of the State had doubled, the latter year showing no less than 132,000 functionaries in active service, whose pay and allowances amounted to 65,000,000 roubles. The administrative reforms carried out in 1867 have reduced the number of these officials to 89,000, drawing pay and allowances to the extent of 49,500,000 roubles.

The estimates of the Ministry of Public Instruction show this year only a small increase of 200,000 roubles over those of 1868, but they have increased to the amount of 2,000,000 roubles since 1866. So, too, have the estimates of the Ministry of Justice, which in the same period have risen from 7,332,080 roubles to 9,030,952 roubles. The gradually extending benefits of education, and the salutary reforms achieved in the administration of justice, more than warrant the increasing outlay of those two Departments.

Lastly, the ordinary expenditure of the Ministry of Public Works figures for the sum of 21,641,773 roubles, or nearly 6,000,000 more than in 1868. The extraordinary expenditure to be incurred in 1869 by this Department has already been noticed in the first part of this Report.

Some important changes are spoken of as likely soon to take place in the direct taxation of the Empire. The capitation or poll tax at present imposed on the male population engaged in husbandry, would be replaced by an immutable tax on their dwellings, and by a land tax to be adjusted every six years, together with the budgets of the provincial contributions to the Treasury. The assess-

ment of the tax on dwellings would be entrusted to the Communes themselves. It is reckoned that these two imposts would produce, the first, three-fourths, and the second, one-fourth of the amount now derived from the capitation tax.

The actual receipts from Customs in 1868 are said to have reached the figure of 35,784,182 roubles, or 1,058,134 roubles less than in 1867. The value of the precious metals imported during the same year, both in coin and ingots, was reckoned at 32,030,222 roubles. The exports of bullion amounted to 4,799,658 roubles, or 7,369,348 roubles less than the preceding year.

The revenue derived from the excise on drinks (spirits and beer) and from trade licenses during the first ten months of 1868 amounted to 102,072,884 roubles, exceeding the estimates by 3,797,384 roubles.

The publication of the "Budget d'Exécution," or Audit of the Accounts for 1866, has been noted with satisfaction by the Russian Press as giving convincing proof of a sincere desire on the part of the Administration to continue the system recently inaugurated of frankly submitting the financial condition of the Empire to public opinion.

The comparisons between the figures contained in the present Budget and those of the Budget for 1866, have been furnished me by Mr. Michell's most admirable Report on the finances of Russian Empire dated June 1867.

Copies of the Budget for 1869 are herewith inclosed.

I have, &c.

(Signed) HORACE RUMBOLD.

P.S.—The conversion of Russian into English money in the above Report is in round numbers at the present current rate of exchange of 7 roubles 30 copecks to the 1*l.* sterling.

H. R.

Inclosure 1.

Summary of Budget of Revenue and Expenditure of the State for the Year 1869.

Revenue.

I. Ordinary Receipts.	Estimate of Gross Receipts for 1869.	Cost of Collection.	Estimate of Net Produce of Receipts for 1869
	Roubles c.	Roubles c.	Roubles c.
1. Taxes—			
(*a*). Direct (taxes and trade licences) ...	94,239,539 79¼	2,296,819 87	91,312,719 92¼
(*b*). Indirect (duties and excise) ...	201,899,542 53½	16,846,726 78½	185,052,815 75
2. State monopolies	18,251,588 60	15,217,365 0½	3,034,223 59½
3. State Domains	31,039,211 84¼	10,646,360 56¾	20,392,851 28
4. Miscellaneous receipts	53,758,932 80	...	53,758,932 80
5. Revenue of the Kingdom of Poland not included in the Budgets of the Ministries of the Empire	15,208,386 24½	801,711 14¼	14,406,675 9¾
6. Revenue of the Trans-Caucasus	5,580,330 85	...	5,580,330 85
Total of Ordinary Receipts... ...	419,977,532 67½	46,438,983 37¼	373,538,549 30
II.			
7. Resources derived from surpluses of Estimates of the Budgets of the years 1867 and 1868	15,174,074 41½	...	15,174,074 41½
III.			
8. Special Receipts ("Recettes d'Ordre") ...	15,804,495 94½	...	15,804,495 94½
Total	450,956,103 3½	46,438,983 37¼	404,514,119 66
9. Special Resources assigned to the construction of railways and the ports of Odessa and Riga	31,123,303 30	...	31,123,303 30
General Total	482,079,406 33½	46,438,983 37¼	435,640,422 96½

Expenditure.

I. Ordinary Expenses.	Expenses of General Administration.
	Roubles c.
1. Public debt	76,097,804 68½
2. Superior institutions of the State	1,765,948 52¼
3. Holy Synod	7,997,267 58¾
4. Ministry of the Imperial Household	8,881,886 35½
5. „ of Foreign Affairs...	2,239,065 88½
6. „ of War	136,774,118 45¼
7. „ of Marine	17,141,078 0¼
8. „ of Finances	53,773,712 57¾
9. „ of Imperial Domains	5,068,164 69
10. „ of the Interior	20,653,901 25¾
11. „ of Public Instruction	9,281,220 14½
12. „ of Public Works	16,440,396 12¾
13. „ of Justice	8,885,480 17¾
14. Audit of the Empire	1,873,785 34¼
15. General Direction of the Studs	650,722 98
16. Expenses of the Kingdom of Poland not comprised in the Budgets of the Ministries of the Empire	11,470,659 71½
17. Expenses of the Transcaucasus	6,727,441 20¾
Total of Ordinary Expenses...	385,712,623 71¾
II.	
18. Anticipated deficit in receipts	3,000,000 0
III.	
19. Special expenses ("Dépenses d'Ordre")...	15,804,495 94¼
Total	404,517,119 66¼
IV.	
20. Temporary Extraordinary Expenditure for the construction of railways and of the ports of Odessa and Riga covered by Special Extraordinary Resources	31,123,303 30
Sum Total	435,640,422 96¼

Inclosure 2.

Report of the Russian Minister of Finance to His Majesty the Emperor on the Budget for the Year 1869.

LES Budgets particuliers des Ministères et Directions Générales, avec leurs compléments pour l'exercice 1869, ayant été présentés plus tôt qu'à l'ordinaire, il a été possible d'en terminer l'examen pour le 20 Décembre, 1868, et d'arrêter le Budget de l'Empire pour le 25 du même mois.

Le Budget de l'Etat pour l'exercice 1869 comprend :

(*a.*) 419,977,532 roubles 67½ copecks de recettes ordinaires de l'Etat, 15,804,495 roubles 94½ copecks de recettes d'ordre, 31,123,303 roubles 30 copecks de ressources spéciales assignées à la construction de chemins de fer et aux travaux des ports d'Odessa et de Riga, et 15,174,074 roubles 41½ copecks de reliquats provenant des crédits sur les budgets de 1867 et 1868, et destinés à solder en équilibre celui de 1869 ;

(*b.*) 432,151,607 roubles 9 copecks de dépenses ordinaires, 3,000,000 roubles de non valeurs sur les recettes, 15,804,495 roubles 94½ copecks de dépenses d'ordre, 31,123,303 roubles 30 copecks de dépenses extraordinaires et temporaires pour construction de chemins de fer et travaux des ports d'Odessa et de Riga, couvertes par des ressources extraordinaires spécialement assignées à ces objets.

Les recettes ordinaires portées au Budget de 1869 présentent comparativement à celui de 1868 un accroissement de 23,791,251 roubles 54½ copecks pour certains articles et une diminution de 14,281,421 roubles 78½ copecks pour d'autres, c'est-à-dire, en résumé, un accroissement de 9,509,829 roubles 76 copecks. Cette augmentation dans les chiffres des recettes prévues pour l'exercice 1869 porte principalement sur les articles suivants : 511,000 roubles d'impôts par suite d'imposition de personnes jusque-là exemptées et d'une fixation nouvelle des redevances communales imposées aux ci-devant colons du midi ; 1,014,000 roubles de patentes de commerce provenant de l'inscription dans le Budget de l'Empire des patentes de commerce et d'industrie perçues dans les dix provinces de la Vistule s'élevant à 789,000 roubles, et de l'élévation graduelle de ces taxes dans l'Empire ; 1,107,000 roubles

d'accise sur les sucres de betteraves en raison des mêmes motifs ; 3,219,000 roubles sur les boissons, 419,000 roubles sur les tabacs, 2,995,000 roubles sur les douanes. L'évaluation des impôts indirects ci-dessus énumérés est basée sur le chiffre des perceptions effectives les plus récentes, 371,000 roubles de timbres, 114,000 roubles sur les passeports, 68,000 roubles sur les droits de navigation, 60,000 roubles de droits divers, 210,000 roubles d'impôts sur les mines, 48,000 roubles postes, 350,000 roubles télégraphes, 136,000 roubles sur des fermages de toute espèce, 400,000 roubles forêts, 662,000 roubles usines et mines, 65,000 roubles de recettes diverses, 164,000 roubles vente de produits économiques, 193,000 roubles de sommes pour frais d'équipements des recrues payées par ceux qui les livrent et figurant comme surplus des recettes de ce chapitre prévues par le Budget de 1867, comparativement à celui de 1866, 514,000 roubles de recettes du Gouvernement Genéral du Turkestan d'après les évaluations des autorités locales, 46,000 roubles de redevances des Kirghises de la horde intérieure et de la ci-devant petite horde, 450,000 roubles poursuites et amendes (cette augmentation a été principalement provoquée par les mesures prises pour la recherche de toutes les créances de l'Intendance-Générale de la Guerre pour les exercices antérieurs), 461,000 roubles de subsides alloués au trésor de l'Empire sur des sources spéciales et fixées d'après l'accroissement des dépenses du trésor pour compte des dites ressources, 1,870,000 roubles de revenus du Royaume de Pologne, non compris dans les Budgets des Ministères de l'Empire principalement parce que certaines recettes du Royaume de Pologne ont été affectées à l'opération de la liquidation, 810,000 roubles de revenus évalués d'après le Budget spécial du Trans-Caucase pour toutes les branches des recettes de l'Etat.*

Il résulte des chapitres que nous venons de citer et de quelques autres de moindre importance que l'accroissement des recettes ordinaires offre un total de 23,791,251 roubles $54\frac{1}{2}$ copecks.

Quant aux diminutions représentées par la somme

* Le Budget de 1869 contient un nouvel Article 37 auquel sont portés 7,500,000 roubles de reliquats d'exercices clos. Sur cette somme 3,500,000 roubles sont translérés des recettes d'ordre, et les 4,000,000 roubles restants étaient inscrits au Budget de 1868 comme recettes accidentelles (4,700,000 roubles).

ci-dessus de 14.281,421 roubles 78½ copecks, elles portent sur les articles suivants: 295,000 roubles sur les sels, principalement en raison de la vente définitive des approvisionnements de sel; 213.000 roubles sur les monnaies, en majeure partie en cause d'une fabrication moins active de la monnaie cuivre et de la non-inscription dans le Budget de 1869 des recettes provenant de la fabrication du platine brut et de la vente de ce métal en lingots et en monnaie; 1,967,000 roubles sur les recettes de la vente des terres des appartenances ("ougodié") des quittances de recrutement, vu que ce dernier chapitre de revenu vient d'être placé au nombre des fonds spéciaux du Ministère de la Guerre; 3,999,000 roubles sur les chemins de fer par suite de la vente du chemin de fer Nicolas et de la destination spéciale d'une partie de ses recettes au service des obligations Nicolas; 1,966,000 roubles sur les exonérations de recrutement, vu que les exonérations du Royaume de Pologne qui ont figuré parmi les recettes en 1868 pour une somme de 2,129,000 roubles n'ont pas été portées dans le Budget de 1869, et que par contre on y a inscrit 163,000 roubles revenant en trésor sur les paiements de rachat pour exonérations de service militaire obligatoire; 890,000 roubles sur les rentrées de prêts; 3,573,000 roubles sur les recettes accidentales; et 1,360,000 roubles sur les recettes temporaires des douanes, diminution provenant de la suppression des 5 pour cent. additionnels sur les droits dans toutes les douanes de la frontière d'Europe.

Il résulte de ce qui précède que les augmentations signalées dans le Budget des Recettes proviennent d'accroissements effectifs des revenus (19,000,000 roubles environ), tandis que les diminutions viennent en grande partie de causes accidentales, comme par exemple l'application du produit des ventes de quittances de recrutement aux fonds spéciaux du Ministère de la Guerre; l'aliénation du chemin de fer Nicolas et l'application d'une partie de son revenu au service de ses obligations, c'est-à-dire, au fonds des chemins de fer; la suppression des rentrées temporaires accidentales, &c.; et enfin l'abolition des 5 pour cent. additionnelles sur les droits de douane.

Voici les principales modifications que présente l'évaluation des dépenses ordinaires pour l'exercice 1869 comparativement au précédent:

Il y a des accroissements de dépenses pour 1869: de 464,000 roubles pour le resssort du Saint-Synode, soit de

358,000 roubles, si l'on fait abstraction de 106,000 roubles, reportés du chapitre des dépenses du Royaume de Pologne; cette augmentation provient de l'inscription au Budget d'un crédit de 300,000 roubles sur le fonds de 150,000 roubles assigné pour cinq ans à l'amélioration des écoles ecclésiastiques, ainsi qu'à l'entretien du clergé urbain et rural du diocèse de Riga; de 5,245,000 roubles pour le Ministère de la Guerre, de 223,000 roubles pour celui de la Marine. Le Budget du Ministère des Finances offre une diminution de 502,000 roubles sur ses dépenses propres, mais il y a accroissement de 4,773,000 roubles dans les dépenses générales concernant les autres branches de service, mais portées aux dépenses du Ministère des Finances;—dans cette augmentation les articles suivants sont les plus remarquables: 529,000 roubles, extension de crédit pour pensions et subsides en considération du nombre des pensionnaires; 2,815,000 roubles, secours temporaires aux militaires non gradés en congé limité, la durée du service qui donne droit à ces congés ayant été abrégées de deux ans, et secours viagers aux militaires non gradés réformés pour incapacité de service; 1,415,000 roubles besoins extraordinaires de provinces. Le Ministère des Domaines de l'Empire offre un accroissement de 239,000 roubles comparativement à l'exercice 1868; dans cette somme sont compris 125,000 roubles payés aux zemstvos à titre d'impôt foncier. Pour le Ministère de l'Intérieur l'augmentation s'élève à un total de 3,223,000 roubles; mais en défalquant de ce chiffre 2,580,000 roubles transférés du chapitre des dépenses du Royaume de Pologne, l'augmentation se réduit à 642,000 roubles, et porte principalement sur les articles suivants: 175,000 roubles dépenses pour les Eglises orthodoxes, 151,000 roubles entretien des édifices publics, 135,000 roubles extension des lignes télégraphiques, 210,000 roubles entretien de la police, 90,000 roubles entretien de l'administration sanitaire de St. Pétersbourg et de la section de police médicale à la Régence du Gouvernement de St. Pétersbourg, 398,000 roubles formant le second tiers du crédit total de 1,196,000 roubles alloué pour l'augmentation du traitement des administrations postales, et qui devait être réparti en trois années dans les Budgets du Ministre de l'Intérieur à partir de 1868; par contre, il y a dans le Budget de ce Ministère suppression de dépenses pour les articles suivants: 294,000 roubles entretien du ervice sanitaire des villages doma-

niaux, ces dépenses étant portées à la charge du zemstvo de Gouvernements ; 122,000 roubles organisation du télégraphe Américo-Russe ; 101,000 roubles suppressions de moindre importance.

Au Ministère de l'Instruction Publique les dépenses se sont accrues de 431,000 roubles, somme qui se réduit à 197,000 roubles par la déduction de 234,000 roubles transférés du chapitre des dépenses du Royaume de Pologne. Le Ministère de la Justice présente une augmentation de dépenses de 444,000 roubles ; cette différence provient d'un accroissement de dépenses de 753,000 roubles, occasionné par la mise en vigueur successive de la réforme judiciaire et de 14,000 roubles répartis sur des chapitres peu importants. Il y a en même temps diminution de dépenses pour une somme de 324,000 roubles à la suite de la suppression des Cours de Justice Civile, de Tribunaux de District, et d'emplois de Juges d'Instruction. Dans le Budget du Royaume de Pologne les dépenses se sont accrues de 1,351,000 roubles par suite de l'inscription dans ce Budget des sommes destinées à l'opération de la liquidation. Les dépenses évaluées après un Budget spécial de l'Administration Civile du Trans-Caucase se sont accrues dans toutes les branches de l'administration d'une somme de 750,000 roubles. L'accroissement global des dépenses dans les diverses branches ci-dessus énumérées s'élève pour l'Exercice 1869 au chiffre de 13,813,046 roubles 10½ copecks, et de 17,313,046 roubles 10½ copecks, en y ajoutant 3,500,000 roubles transférés des dépenses d'ordre destinées d'après le Budget de 1868 à couvrir les frais des Budgets clos.

Par contre, il y a diminution de dépenses dans les chapitres suivants : 541,000 roubles sur la dette publique, dont 149,000 roubles à la suite de la diminution des payements pour le service des intérêts et de l'amortissement de certains emprunts ; 280,000 provenant du payement anticipé en 1868 de certaines dettes du Trésor à la Banque de l'Etat, paiement imputé sur des fonds destinés à cet objet et provenant des bénéfices commerciaux de la Banque et de ceux obtenus par elle pour compte du Trésor, dans le cours de l'Exercice 1867 ; 100,000 roubles diminution de frais, occasionnés par la différence du cours du change, pour le service des emprunts étrangers ; 120,000 roubles Ministère des Affaires Etrangères, principalement à la suite de la diminution de frais de courtage et des

dépenses extraordinaires à l'étranger; 3,429,000 roubles Ministère des Voies de Communication: cette diminution provient des causes suivantes: 9,178,000 roubles ont été rayés du Budget à la suite de la cession du chemin de fer Nicolas à la Grande Société; par contre, il a été ajouté 106,000 roubles pour nouveaux travaux, reconstructions, et entretien des voies fluviales; 103,000 roubles pour l'érection à St. Pétersbourg d'un monument en mémoire de l'Impératrice Catherine II; 100,000 roubles subsides aux sociétés particulières de chemin de fer; 1,721,000 roubles pour frais d'administration et autres dépenses des voies ferrées de Moscou-Koursk et Balta-Elisabethgrad avec leurs embranchements; 3,671 roubles pour le service des coupons, l'amortissement des obligations et autres dépenses du chemin de fer Nicolas; et 45,000 roubles pour changements divers. Les diminutions des dépenses dans les trois branches de service ci-dessus mentionnées forment un total de 4,091,000 roubles. En conséquence, l'accroissement général des dépenses pour l'Exercice de 1869 comparativement à celui de 1868 s'élève au chiffre total de 13,221,768 roubles 25½ copecks.* De tout ce qui précède, il résulte que, d'après le Budget de 1869, les recettes ordinaires générales, destinées à couvrir les dépenses en tenant compte des non-valeurs, offraient un déficit de 15,174,074 roubles 41½ copecks. Toutefois, grâce au surplus dans les recettes de 1867, et 1868 il sera possible de couvrir ce déficit par des reliquats sans avoir recours à des ressources extraordinaires. Il appert du compte-rendu du Contrôleur de l'Empire qu'à l'expiration de la période budgetaire une somme de 29,853,480 roubles restait disponible à la date du 1 Juillet, 1868, après paiement de toutes les dépenses prévues et imprévues au Budget. Sur ce reliquat une somme de 20,165,486 roubles a été mise de côté pour faire face aux dépenses imprévues de 1868, et 5,200,000 roubles ont été inscrits au Budget du Département de la Trésorerie pour 1868. En conséquence, une somme de 4,487,900 roubles reste disponible et peut être consacrée à couvrir les dépenses de 1869. D'après le système en vigueur, les crédits fixés par

* D'après les Budgets de 1868 et des années précédentes, un crédit de 4,000,000 roubles était destiné à couvrir les non-valeurs sur les recettes des impôts directs. Leur recouvrement plus exact dans ces dernières années a permis de réduire ce chapitre pour 1869 à 3,000,000 roubles.

le Budget et non employés jusqu'à la date du 1 Juillet de l'année suivante, tombent par ce fait à la disposition du Trésor, déduction faite des paiements dus aux créanciers du fisc. Le montant de ces crédits annulés, qui ne s'élève pas à moins de 13,000,000 roubles, est ordinairement destiné à couvrir les dépenses imprévues ; toutefois ces dernières se trouvant couvertes pour les Exercices 1867 et 1868 par le surplus de recettes de 1867, il résulte que les reliquats disponibles de 1868 peuvent être affectés aux dépenses de 1869. En conséquence, il a été porté au Budget 4,487,900 roubles représentant un reliquat de l'Exercice 1867, et 10,686,174 roubles 41½ copecks sur le surplus effectif des crédits de 1868, qui revient de droit au Trésor.

En dehors des dépenses ordinaires il a été inscrit au Budget de 1869 une somme de 31,123,303 roubles 30 copecks pour construction de chémins de fer et travaux des ports d'Odessa et de Riga ; par suite de l'achèvement des travaux sur les voies ferrées du Gouvernement, cette allocation a pu être diminuée de 7,542,390 roubles 58 copecks comparativement au Budget de 1868. Ces dépenses sont couvertes par le fonds particulièrement affecté aux chemins de fer, dont l'effectif s'élève à 33,851,000 roubles.

En soumettant très respectueusement à votre Majesté Impériale les détails ci-dessus, le Ministre de Finances croit devoir ajouter que les résultats comparativement favorables du Budget de 1869 proviennent de l'accroissement important que les recettes ont éprouvé en 1867, et, autant qu'on a pu s'en assurer jusqu'à ce moment, en 1868. Dans l'opinion du Secrétaire d'Etat De Reütern, cette augmentation de revenus doit être attribuée en partie à des causes accidentelles : l'abondance universelle des récoltes de 1866 s'est reproduite, en 1867 et en 1868, dans quelques-unes de nos provinces les plus fertiles en céréales ; en même temps, l'Europe Occidentale a eu besoin d'une plus forte importation de grains qu'à l'ordinaire, de sorte que, pendant ces années, notre commerce de céréales a pris une activité extraordinaire et est devenu très avantageux tant pour les producteurs que pour les négociants.

Le chemin de fer de Riazan-Kozlow, la première de nos voies ferrées qui pénétrait dans la contrée fertile en blés, a été ouvert à la fin de 1866. Les résultats éclatants donnés par le trafic de ce chemin de fer, dès le premier jour de son ouverture pour ainsi dire, ont donné la mesure

de ce que peuvent attendre et leurs entrepreneurs et le pays tout entier, de voies ferrées qui relient les lieux de production avec les marchés.

Depuis lors les chemins de fer ont gagné une grande extension ; 489 verstes ont été livrées à la circulation en 1867, 1,709 en 1868, et on a lieu de s'attendre à 2,000 verstes pour 1869. Il est hors de doute que l'accroissement dans presque toutes les branches de revenus de l'Etat qu'on a pu constater durant ces deux dernières années doit être attribué en grande partie aux chemins de fer, qui pendant leur construction procurent au peuple des salaires avantageux, et après leur ouverture élèvent à leur véritable valeur le travail, la production, et la propriété immobilière. C'est pourquoi, bien qu'on ne saurait nier que l'accroissement des récettes de l'Etat en 1868, et particulièrement en 1867, provenait en partie d'un fait purement accidentel et heureux pour nous, c'est-à-dire, de la coincidence de bonnes récoltes en Russie avec l'élevation de prix à l'étranger,— d'autre part il est hors de doute que les voies ferrées commencent dès à présent à exercer leur action vivifiante sur le bien-être national, et par conséquent sur les finances de l'Etat. Cette action ne manquera pas de s'accroître encore en 1869 par l'exploitation des lignes ouvertes en automne dernier.

En terminant, le Secrétaire d'Etat De Reütern croit devoir exprimer à votre Majesté Impériale sa ferme conviction que les finances de l'Empire acquerront une base de plus en plus solide dans le développement pacifique des intérêts moraux et matériels de la Russie, marchant dans la voie des grandes réformes qui font la gloire de votre règne.

St. Pétersbourg, 31 *Décembre*, 1868.

Budget des Recettes et Dépenses de l'Empire pour l'Exercice 1869.

Sanctionné par Sa Majesté l'Empereur le 31 Décembre, 1868.

RECETTES.

	Recettes Brutes d'après le Budget de 1868.	Recettes Brutes évaluées pour 1869.	Frais de Perception.	Produit Net des Recettes évaluées pour 1869.
I. Revenus Ordinaires de l'Etat.				
(A.)—Impots.				
Impôts Directes.	Roubles c.	Roubles c.	Roubles c.	Roubles c.
1. Impôts	82,938,581 63¼	83,450,539 79¾	2,377,018 50	81,073,521 29½
2. Patentes de commerce	9,775,000 0	10,789,000 0	549,801 37	10,239,198 63
Impôts Indirectes.				
a. Sur les articles de consommation.				
(Redevances et Accises.)				
3. Boissons	128,390,507 23½	131,609,687 83	8,632,586 29⅔	122,977,101 53⅓
4. Sels	11,766,547 0	11,471,443 0	2,382,684 78⅔	9,088,758 26⅓
5. Tabacs	6,760,900 0	7,180,000 0	496,630 14¼	6,683,369 85¾
6. Sucre de betterave	1,649,587 0	2,756,686 0	114,350 92	2,642,335 8
7. Douanes	32,960,590 0	35,962,000 0	4,733,073 87⅓	31,228,926 12
b. Droits.				
8. Timbre	5,303,700 0	5,675,035 0	236,229 60½	5,438,805 39½
9. Homologation et enregistrement d'actes de mutation de propriétés et autres	2,358,000 0	2,346,000 0	145,472 0	2,200,528 0
10. Passeports	1,728,500 0	1,842,700 0	...	1,842,700 0
11. Navigation	636,948 0	699,503 0	3,164 0	696,339 0
12. Péages sur les chaussées	570,748 0	571,214 89⅓	102,535 21	468,679 68⅔
13. Divers	1,724,303 28	1,785,272 81*	...	1,785,272 81
Total des Impôts	286,563,912 14¾	296,139,082 33½	19,773,546 65⅓	276,365,535 67¾

* Dans ce dernier chiffre figurent:—

	Roubles c.
Les feuilles de postes pour	328,309 0
Les promotions	835,000 0
Les retenues pour former le capital des pensions, les dessins de plans, les amendes et autres	621,972 81
	1,785,272 81

	Recettes Brutes d'après le Budget de 1868.	Recettes Brutes évaluées pour 1869.	Frais de Perception.	Produit net des Recettes évaluées pour 1869.
	Roubles c.	Roubles c.	Roubles c.	Roubles c.
(B.)— Droits Regaliens.				
14. Mines	2,472,993 43¾	2,683,053 10¾	289,717 89	2,393,335 21¼
15. Monnayage	5,291,479 96½	5,078,180 63½	780,276 11¾	4,297,904 51¼
16. Postes	7,591,543 36½	7,639,927 96	11,948,149 55*	4,308,221 59
17. Télégraphes	2,500,323 5	2,850,426 90	2,199,221 44½	651,205 45½
Total des Droits Régaliens	17,856,339 75½	18,251,588 60	15,217,365 0½	3,034,223 59¼
(C.)—Biens de l'Etat.				
18. Redevances foncières et autres des paysans domaniaux et de ceux établis sur les terres de la Couronne dans les Gouvernements de la Baltique	621,000 95½	629,878 20	40,843 40	589,034 80
19. Fermages séparés	4,229,877 87	4,366,855 75¾	593,114 97	3,773,740 81¾
20. Ventes de terrains et domaines de l'Etat, de quittances de recrutement, &c.	3,531,854 74	1,564,388 76	...	1,564,388 76
21. Forêts	4,266,539 81	4,667,510 60	1,893,428 86½	2,774,081 73½
22. Mines et usines	2,569,020 53	3,231,232 59½	3,023,295 33½	207,937 26¼
23. Chemins de fer	20,458,518 54½	16,459,162 0	5,095,678 0	11,363,484 0
24. Revenus des immeubles et intérêts des capitaux du fonds d'éducation	122,899 33¼	120,183 81½	...	120,183 81½
Total des Biens de l'Etat	35,799,711 78¼	31,039,211 84¾	10,646,360 56¾	20,392,851 28
(D.)—Recettes Diverses.				
25. Etablissements agronomiques et technologiques (imprimeries du Sénat et du Ministère de l'Instruction Publique), livres, et revues publiés par le Gouvernement	830,531 41½	896,252 5	...	896,252 5
26. Ventes de produits économiques	831,455 29½	996,305 84¼	...	996,305 84¼
27. Sommes pour frais d'équipement et autres des recrues payés par ceux qui les livrent pour les recrutements de 1869 et à venir	1,462,543 0	1,655,796 0	...	1,655,796 0
28. Exemptions de recrutement	3,758,913 0	1,792,895 0	...	1,792,895 0
29. Redevances prélevées dans le Gouvernement Général de Turkestan	1,000,000 0	1,514,679 10	...	1,514,679 10
30. Redevances imposées aux Kirghises de la horde intérieure et de la ci-devant petite horde	138,945 80	185,526 52	...	185,526 52
31. Pensions payées par les élèves non boursiers des établissements publics d'éducation	123,699 82	135,706 82	...	135,706 82
32. Recouvrement de prêts	6,255,357 88	5,364,468 31½	...	5,364,468 31½
33. Poursuites et amendes	494,413 28¼	945,271 40¼	...	945,271 40¼
34. Subventions au trésor sur des ressources étrangères à ses revenus (redevances territoriales, revenus urbains et autres sources)	22,318,800 78½	22,780,638 36½	...	22,780,638 36½
35. Recettes diverses accidentelles	13,287,695 23¼	9,714,121 95¼	...	9,714,121 95¼
36. Recettes transitoires de douane ayant une destination spéciale	1,638,271 0	277,271 43	...	277,271 43
37. Reliquats	3,500,000 0	7,500,000 0	...	7,500,000 0
Total des Recettes Diverses	55,640,626 50¾	53,758,932 80	...	53,758,932 80

* Dans cette somme de 11,948,149 roubles 55 copecks figurent comme frais de perception des postes 7,593,173 roubles 98½ copecks fournis à titre de subvention par les redevances territoriales pour l'entretien des relais de chevaux de poste, ce qui occasionne le déficit dans le produit des postes. Si la dite somme de 7,593,173 roubles 98½ copecks était ajoutée aux 7,639,927 roubles 96 copecks, les recettes des postes offriraient un surplus net de 3,284,952 roubles 39¼ copecks.

	Recettes Brutes d'après le Budget de 1868.	Recettes Brutes évaluées pour 1869.	Frais de Perception.	Produit Net des Recettes évaluées pour 1869.
	Roubles c.	Roubles c.	Roubles c.	Roubles c.
38. Revenu du Royaume de Pologne non compris dans les Budgets des Ministères de l'Empire ...	13,337,712 32½	15,208,386 24½*	801,711 14¾	14,406,675 9¾
39. Revenus du Trans-Caucase	4,769,400 40	5,580,330 85	...	5,580,330 85
Total des Revenus Ordinaires de l'Etat	413,967,702 91½	419,977,532 67½	46,438,983 37¼	373,538,549 30¼
II.				
0. Ressources Extraordinaires...	12,462,136 22	15,174,074 41½†	...	15,174,074 41½
III.				
Recettes d'Ordre.				
41. Volumes du corps des lois expédiés aux administrations et autorités par l'imprimerie de la IIe section de la Chancellerie particulière de Sa Majesté l'Empereur, et travaux de cette imprimerie pour les grands corps de l'Etat	123,180 0	116,835 0	...	116,835 0
42. Métaux bruts et ouvrés produits par les mines et usines de l'Etat pour être livrés gratuitement aux Ministères de la Guerre, de la Marine, et des Voies de Communication	3,153,440 89¾	3,367,749 64	...	3,367,749 64
43. Vente de papier timbré établi pour les actes de médecine légale et de police médicale	200,000 0	250,266 78	...	250,266 78
44. Revenus de l'expédition de fabrication des papiers d'Etat applicable à ses dépenses	595,810 39	833,524 51	...	833,524 51
45. Vivres, fourrages et autre matériel fournis par les Ministères de la Guerre et de la Marine à d'autres Administrations, et compensation de diverses autres dépenses faites par certaines Administrations pour compte d'autres	1,853,662 45¼	1,637,040 78½	...	1,637,040 78½
46. Remboursements par les propriétaires de dépenses d'arpentage	250,000 0	250,000 0	...	250,000 0
47. Remboursements divers	9,319,390 88	9,349,079 23	...	9,349,079 23
Total des Recettes d'Ordre	15,495,484 62‡	15,804,495 94½	...	15,804,495 94½
Total	441,925,323 75½	450,956,103 3¾	46,438,983 37¼	404,517,119 66½
IV.				
48. Ressources Speciales affectées à la construction des chemins de fer et aux travaux des ports d'Odessa et de Riga...	38,665,693 88	31,123,303 30	...	31,123,303 30
Total Général des Recettes	480,591,017 63½	482,079,406 33½	46,438,983 37¼	435,640,422 96¼

* Dans ce chiffre figurent:—

	Roubles c.
a. Impôts	7,969,105 91
b. Biens de l'Etat	5,619,672 6¼
c. Recettes diverses	768,758 27¼
d. Bénéfices de la Banque de Pologne	850,850 0
	15,208,386 24½

† Provenant des reliquats effectifs sur les crédits des Budgets de 1867 et 1868.

‡ Au Budget de 1868 ce chiffre était de 18,997,984 roubles, offrant un excédant de 3,502,500 roubles, dont 2,500 roubles qui figuraient au Chapitre 41 de ce Budget ont été complétement exclus des recettes d'ordre et 3,500,000 roubles ont été portés au Chapitre 37 des Recettes du présent Budget.

Budget des Recettes et Dépenses de l'Etat pour l'Exercice 1869.

Sanctionné par Sa Majesté l'Empereur, le 31 Décembre, 1868.

DEPENSES.

	Dépenses.		Total.	Allocations de l'Exercice 1868.
	Permanentes.	Temporaires et Extraordinaires.		
(A.)—Depenses Ordinaires.				
1. *Service de la Dette Publique.*				
Intérêts et Amortissement de la Dette.				
1. Dettes extérieures à terme	...	15,795,258 63	15,795,258 63	15,944,696 49
2. Dettes extérieures perpétuelles	...	10,378,410 25	19,378,410 25	19,380,926 51
Dettes Intérieures à terme.				
3. *a.* A la Banque de l'Etat pour la dette du Trésor	...	133,870 75	133,870 75	423,567 60
4. *b.* A la Banque de l'Etat pour les dettes de diverses institutions et autorités, payables par le Trésor et remboursables sur des ressources spéciales	...	261,560 99	261,560 99	279,119 94
5. *c.* A diverses administrations	...	1,471,972 16½	1,471,972 16½	1,471,972 92
6. *d.* Pour les obligations de la Banque de l'Etat (métalliques)	...	3,000,000 0	3,000,000 0	3,000,000 0
7. *e.* Pour les billets de la Banque de l'Etat à 5 pour cent émis pour renforcer son encaisse	...	550,000 0	550,000 0	550,000 0
8. *f.* Pour les bons du Trésor	...	9,357,120 0	9,357,120 0	9,357,120 0
9. *g.* Pour les emprunts à 5 pour cent à primes	...	13,281,250 0	13,281,250 0	13,281,250 0
10. *h.* Pour les obligations du Royaume de Pologne	...	2,748,300 0	2,748,300 0	2,748,300 0
Dettes Intérieures perpétuelles.				
11. *a.* Ordinaires et inaliénables	...	3,936,405 73	3,936,405 73	3,929,027 99
12. *b.* Consolidés à 4 pour cent.	...	6,183,656 17	6,183,656 17	6,172,413 19
Total du service de la Dette Publique	...	76,097,804 68½	76,097,804 68½	76,658,896 64
2. *Institutions Supérieures de l'Etat.*				
Dépenses d'Administration Générale.				
13. Conseil et Chancellerie du Comité de l'Empire	674,150 55¾	23,376 90	697,527 45¾	639,230 82¼
14. Chancellerie du Comité des Ministres	54,247 68	4,748 0	58,995 68	59,035 68
Chancellerie Particulière de l'Empereur.				
15. *a.* Ire Section	21,827 0	63,359 69	85,186 69	85,186 69
16. *b.* IIe Section	165,518 83	89,148 71	254,667 54	243,869 29

	Dépenses.		Total.	Allocations de l'Exercice 1869.
	Permanentes.	Temporaires et Extraordinaires.		
	Roubles c.	Roubles c.	Roubles c.	Roubles c.
17. *c.* IIIe Section	239,602 86	8,411 52	248,014 38	248,014 38
18. *d.* Pour les affaires du Royaume de Pologne	210,450 0	...	210,450 0	220,450 0
19. Chancellerie du Comité pour les affaires du Royaume de Pologne	11,400 0	...	11,400 0	11,400 0
Chancellerie du Comité du Caucase.				
20. Entretien de la Chancellerie	23,686 93	1,960 0	25,646 93	24,666 93
21. Entretien des Boursiers du Caucase	4,382 50	426 80	4,809 30	31,495 0
Commission des Pétitions et Chancellerie du Secrétaire d'Etat chargé de recevoir celles adressées à Sa Majesté l'Empereur.				
22. Entretien de la Commission et de la Chancellerie	90,800 55	...	90,800 55	82,055 87
23. Secours aux indigents et éducation d'enfants	74,500 0	3,950 0	78,450 0	79,832 21
Total des Institutions Supérieures de l'Etat	1,570,566 90¾	195,381 62	1,765,948 52¾	1,725,236 87¼
3. Saint-Synode.				
Dépenses d'Administration Générale.				
24. Administration centrale	200,129 90	2,133 70	202,263 60	202,263 60
25. Chapitres des cathédrales, consistoires, et régences ecclésiastiques, maisons archiépiscopales et évêques-vicaires	813,822 52½	27,867 61	841,690 13½	834,177 29½
26. Lauras et monastères	393,219 37½	14,368 69½	407,588 7	407,568 2
27. Clergé des villes et des campagnes	4,511,055 94½	800,350 0	5,311,405 94½	5,258,306 49
28. Subvention pour augmenter les ressources des établissements d'éducation du clergé ...	905,925 0	35,910 2	941,135 2	643,527 18
29. Entretien des édifices synodaux, frais de construction et menus dépenses diverses	158,761 43¾	134,823 38	293,184 81¾	293,273 68¾
Total du Saint Synode	6,981,514 18½	1,015,453 40½	7,997,267 58¾	7,639,116 27½
4. Ministère de la Maison de l'Empereur.				
30. Dotations de la Famille Impériale, entretien de la Cour Impériale, de la Maison de Mgr. le Grand-Duc héritier et de son fils, du Ministère de la maison de l'Empereur, avec toutes les branches de service qui en dépendent, ainsi que les palais, le château, les jardins, et les parcs de Varsovie	6,442,026 57¾	2,439,859 77¾	8,881,836 35½	8,881,886 35½
5. Ministère des Affaires Etrangères.				
Dépenses d'Administration Générale.				
31. Administration centrale et entretien de fonctionnaires Diplomatiques près de certains Gouverneurs-Généraux et du Lieutenant de l'Empereur dans le Royaume de Pologne	355,380 48	8,351 12	363,731 60	368,165 13
32. Ambassades et Légations	835,591 93	9,537 63	845,129 56	841,628 4
33. Consulats et Agences Consulaires	332,349 15	8,041 10	340,390 25	344,476 25

34. Dépenses extraordinaires à l'étranger	357,805 24	8,410 0	366,215 24	662,466 8
35. Dépenses diverses	111,433 46½	12,165 77	123,599 23	142,711 73¼
Total du Ministère des Affaires Etrangères	2,192,560 26½	46,505 62	2,239,065 88½	2,379,417 18½
6. *Ministère de la Guerre.*				
Dépenses d'Administration Générale.				
36. Administration centrale	1,628,108 25½	128,354 18	1,756,462 43½	1,713,583 34½
37. Administrations locales	5,343,387 52¾	206,338 63	5,549,726 15¼	4,592,818 85
38. Récompenses et secours	1,847,775 67	...	1,847,775 67	1,128,404 50
39. Parties technique et pédagogique	4,294,365 96	19,582 34	4,313,948 30	4,377,064 56½
40. Service de santé	542,763 30	63,933 81	606,697 11	639,246 55
41. Retenues pour compte de la caisse émérítale	1,708,218 3	1,403 12	1,709,621 15	1,681,469 20
42. Solde	22,564,046 7	590,473 72	23,154,519 79	22,138,785 65½
43. Casernement	1,884,841 59	64,867 73	1,949,709 32	2,292,830 23½
44. Vivres	35,495,010 8¾	115,888 51	35,610,898 59¾	36,885,523 21½
45. Fourrages	10,913,996 2	143,306 23	11,057,302 25	10,199,497 64¼
46. Equipement	14,230,946 81¾	626,171 66	14,857,118 47¾	15,473,578 73½
47. Lazareths	215,577 42	...	215,577 42	248,570 9
48. Remonte de chevaux de troupe, d'officiers et de traite	676,267 20	...	676,267 20	667,513 94½
49. Entretien du matériel d'artillerie des troupes	664,625 59¼	6,716 13	671,341 72¼	645,039 80½
50. Entretien du matériel du génie	62,014 97½	100,436 87	162,451 84½	147,897 9½
51. Frais de bureau des troupes	292,078 1	988 34	293,066 35	282,916 28½
52. Transports des troupes	1,347,000 0	...	1,347,000 0	1,110,000 0
53. Préparation du matériel et des pièces d'artillerie, de la poudre, des projectiles, et expériences d'artillerie ...	4,539,716 53½	6,798,793 55½	11,338,510 8¾	8,254,694 75½
54. Artillerie de place	91,375 82¾	6,000 0	97,375 82¾	169,628 9½
55. Arsenaux, poudrières et manufactures d'armes	872,363 70	19,301 38	891,665 8	860,863 37
56. Construction et entretien des édifices et fortifications, et cantonnement des troupes	8,097,411 48¾	5,062,853 4½	13,160,264 53¼	13,129,947 8½
57. Levées topographiques	35,246 66	115,166 71	150,413 37	136,698 59
58. Frais de voyage de fonctionnaires, d'envois d'estafettes, dépenses extraordinaires et diverses	4,885,773 86	470,621 91½	5,356,395 77½	4,798,846 94½
Total du Ministère de la Guerre	122,282,910 58¼	14,541,197 87½	136,774 108 45¾	131,443,659 58½
7. *Ministère de la Marine.*				
Dépenses d'Administration Générale.				
59. Administration centrale et des ports	1,350,511 88¾	35,970 27¼	1,386,482 16	1,386,482 16
60. Récompenses et secours	184,331 0	...	184,331 0	161,474 0
61. Partie pédagogique	328,522 91	28,582 28	357,105 19	349,115 2
62. Service de santé	459,937 20½	43,743 72	503,680 92½	515,724 36
63. Solde des marins	2,011,188 25½	98,716 48	2,109,904 73¾	2,087,249 28½
64. Vivres	881,204 99	...	881,204 99	854,194 58
65. Equipement	604,177 3½	...	604,177 3½	544,059 48½

* Cette somme offre, comparativement à celle de 131,511,572 roubles 54½ copecks portée au Budget de 1868, une diminution de 67,913 roubles 1 copeck, provenant de ce que 84,760 roubles 51 copecks qui figuraient au Budget de la Direction Générale de l'Intendance pour augmenter les ressources du corps des gendarmes ont été supprimés, tandis qu'une somme de 16,847 roubles 50 copecks a été transférée du chapitre des dépenses du Royaume de Pologne au Ministère de la Guerre.

	Dépenses.		Total.	Allocations de l'Exercice 1869.
	Permanentes.	Temporaires et Extraordinaires.		
	Roubles c.	Roubles c.	Roubles c.	Roubles c.
66. Navigation à l'intérieur	1,560,930 91¼	...	1,560,930 91¼	1,603,155 66½
67. Navigation à l'étranger	832,923 21	...	832,923 21	905,324 93
68. Hydrographie	147,403 49	11,500 0	158,903 49	155,669 67
69. Artillerie de marine	34,661 23	1,058,199 15	1,092,860 38	700,151 38½
70. Constructions navales	2,762,490 76¾	...	2,762,490 76¾	3,577,568 89¼
71. Usines et amirautés	157,988 16	530 20	158,518 36	356,914 16½
72. Loyers, entretien, construction et réparations d'édifices	557,649 82½	624,818 54	1,182,468 36½	850,905 13½
73. Transports de matériel, salaires d'ouvriers, missions et menues dépenses	2,286,286 35	17,500 0	2,303,786 35	1,753,235 93
74. Ports de Sibérie	541,667 78¾	88 44½	541,756 23¼	797,415 50
75. Dépenses pour les besoins d'autres Administrations	508,002 90¼	11,551 0	519,553 90¼	318,893 1¼
Total du Ministère de la Marine	15,209,877 91½	1,931,200 8¾	17,141,078 0¼	16,917,563 17½
8. *Ministère des Finances.*				
Dépenses d'Administration Générale.				
76. Administration centrale	1,289,605 15½	164,768 0	1,454 373 83½	1,459,766 62½
77. Administrations locales	2,755,380 8¼	143,419 7	2,898.799 15½	2,937,299 99½
78. Parties technique et pédagogique	299,415 57	73,902 89¾	373,318 46½	436,583 41
79. Pièces d'artillerie, projectiles et métaux ouvrés, préparés dans les usines pour les Ministères de la Guerre, de la Marine, et des Voies de Communication	2,685,513 10	...	2,685,513 10	2,610,630 73½
80. Grandes constructions et dépenses imprévues de l'Administration Générale des Mines	54,000 0	77,636 18½	131,636 18½	131,636 18½
81. Fabrication des papiers d'Etat	...	435,300 0	435.300 0	193.500 0
82. Pensions et secours au personnel, aux veuves, et aux orphelins	18,729,794 14	...	18,729,794 14	18,037,942 24
83. Subventions à diverses administrations, villes, et compagnies d'actionnaires	2,654,673 20½	2,293,860 34½	4,948,533 55	5,052,677 19
Indemnités.				
84. *a.* Au Danemark pour l'abolition des droits du Sund	...	565,000 0	565,000 0	580,000 0
85. *b.* A diverses administrations et autorités en dédommagement de la réduction des intérêts servis par la Banque	73,510 96¼	...	73,510 96¼	83,510 96¼
86. Restitution de fonds indument versés au Trésor	600,000 0	...	600,000 0	600,000 0
87. Dépenses extraordinaires pour le Trésor, dépenses pour le compte des reliquats des budgets d'exercices clos et pour les besoins extraordinaires des provinces	13,849,000 0	...	13,849,000 0	12,434,000 0
88. Etablissement de militaires non gradés dans les domaines de l'Empire	4,059,420 0	...	4,059,420 0	1,402.180 0
89. Dépenses du recrutement	621,000 0	...	621,000 0	621,000 0
90. Achats de quittances de recrutement pour être revendues à ceux qui veulent se faire exempter	97,000 0	...	97,000 0	300,000 0
91. Allocation complémentaire pour les dépenses imputables sur le fonds commun des paysans domaniaux formé du produit d'une redevance spéciale	350,000 0	...	350,000 0	350,000 0
92. Transports de fonds, frais de voyage de fonctionnaires, hautes-payes, remboursements de créances particulières hypothéquées sur des immeubles confisqués, éducation d'enfants, et menues dépenses diverses	1,288,746 68¼	612,766 50¼	1,901,513 18½	1,567,565 94
	49,407,058 89¾	4,366,653 68	53,773,712 57¾	48,798,293 27½

Frais de Perception.				
Impôts de Patentes de Commerce.				
93. Entretien des sections de caisse et de révision dans les chambres des finances, des caisses de district, des fonctionnaires chargés de la surveillance du commerce, &c. &c.	2,609,389 87	317,430 0	2,926,819 87	
Accises.				
94. *a.* Entretien de l'Administration des Accises	6,940,00[illegible] 0¼	118,916 55	7,058,922 65¾	7,113,094 30
95. *b.* Dépenses pour les opérations économiques relatives aux boissons et aux sels	1,454,386 18	41,166 54	1,495,552 72¼	2,002,070 29½
96. *c.* Indemnités à divers en dédommagement de revenus sur les boissons qui ont fait retour au Trésor ...	2,335,019 78	736,756 92½	3,071,776 71½	2,604,132 89¼
Douanes.				
97. *a.* Entretien des douanes, barrières, et de la garde des frontières	3,961,425 19½	28,151 46	3,989,576 65½	4,071,634 30
98. *b.* Dépenses économiques, de construction et diverses pour les douanes...	737,361 26	6,135 96	743,497 22	869,845 66¾
Droits Divers.				
Timbre.				
99. Entretien de la caisse du timbre et fabrication du papier à timbrer	236,157 60½	72 0	236,229 60½	217,509 60½
Droit sur les mines et revenus du monnayage, ainsi que des usines et exploitations de métaux.				
100. Entretien des hôtels des monnaies, des bureaux de contrôle et des administrations de mines; dépense de constructions, d'économie, d'exploitation et de fabrication des métaux; frais de transports et dépenses diverses	3,787,602 24	305,687 10	4,093,289 34	4[illegible],243
Total	22,061,348 24¾	1,554,316 53¾	23,615,664 78½	24,320,248 29½
Total du Ministère des Finances	71,468,407 14⅓	5,920,970 21¾	77,389,377 36¼	73,118,541 57
9. ***Ministère des Domaines de l'Empire.***				
Dépenses d'Administration Générale.				
101. Administration centrale	548,349 12½	69,577 18½	617,866 31	616,480 30¼
102. Administrations locales	125,110 23	119,853 96	244,964 19	133,902 5¼
103. Etablissements forestiers, d'éducation et agronomiques	607,709 99½	115,229 55	722,939 54½	689,352 50
104. Encouragements à l'agriculture et propagation de notions rationnelles y relatives	63,539 13	50,873 0	114,412 13	83,633 63
105. Arpentage, péréquation, lustration et cadastre	27,802 77¾	811,189 78¾	838,992 51	813,394 52
106. Service des arendes en argent	...	2,040,755 30	2,040,755 30	2,043,963 63½
107. Subventions pour constructions d'églises, éducation d'enfants, et autres menues dépenses	361,429 14	116,805 56⅓	478,234 70½	421,303 82¾
	1,733,940 39¾	3,324,224 29½	5,058,164 69	4,802,030 47
Frais de Perception.				
Impôts fonciers et autres droits payée par les paysans domaniaux et autres dans les provinces Baltiques.				
108. Entretien de la Chambre des Domaines de la Baltique et des administrations d'arrondissement, dans les Gouvernements de Courlande et de Livonie	40,193 40	650 0	40,843 40	40,843 40
Revenus provenant de fermages.				
109. Entretien d'une Administration Générale Provinciale des biens domaniaux	486,585 20	42,078 15	528,663 35	637,787 14¾

	Dépenses.		Total.	Allocations de l'Exercice 1866.
	Permanentes.	Temporaires et Extraordinaires.		
	Roubles c.	Roubles c.	Roubles c.	Roubles c.
Revenus des Forêts.				
110. Entretien de l'administration forestière dans les provinces, de la garde forestière, aménagement des forêts et dépenses diverses	1,649,519 53½	243,909 33	1,893,428 86½	1,800,778 6
	2,176,298 13½	286,637 48	2,462,935 61½	2,479,408 60¾
Total du Ministère des Domaines	3,910,238 53½	3,610,861 77½	7,521,100 30½	7,281,439 7¾
10. *Ministère de l'Intérieur.*				
Dépenses d'Administration Générale.				
111. Administration centrale	1,047,144 43½	27,803 2½	1,074,947 46	1,022,577 96½
112. Censure	246,756 0	1,470 0	248,226 0	242,509 0
113. Administrations provinciales	10,667,692 15¾	639,414 23¾	11,357,106 39½	11,165,309 14½
114. Administration des Baschkirs et des Kirghises de la horde intérieure	198,015 7¾	1,927 63½	199,942 71¼	178,284 78
115. Partie pédagogique	70,519 45¾	2,728 62	73,248 7¾	72,398 7¾
116. Service de santé et quarantaine	584,421 45¾	124,602 79¼	709,024 25	919,829 20¾
117. Cultes étrangers	1,735,883 45½	15,000 0	1,750,883 45½	1,793,005 43
118. Transports de détenus	1,317,886 35¾	83,409 39½	1,401,295 75¼	1,374,842 38¾
119. Subventions aux établissements de l'assistance publique, aux villes et autres institutions et dépenses pour les églises dans les Gouvernements de l'Ouest	1,788,361 64½	148,109 5½	1,936,470 69¾	1,741,880 79¼
120. Loyers et entretien d'édifices	1,159,360 29	192,291 2¾	1,351,651 31	1,251,297 43½
121. Télégraphes	32,500 0	352,150 0	384,650 0	419,000 0
122. Dépenses diverses	157,967 58	8,487 56	166,455 14	169,544 44
	19,006,507 91¼	1,647,393 34½	20,653,901 25¾	20,350,478 66
Frais de Perception.				
a. Loyers des boutiques à la foire de Nijni-Novgorod.				
123. Entretien de l'administration de la foire de Nijni-Novgorod	64,451 52	...	64,451 52	64,451 52
b. Revenu des postes.				
124. Personnel des postes	2,289,580 26¾	57,031 3¼	2,346,611 30¾	1,980,140 25½
125. Réception, livraison et expédition des correspondances	1,966,995 0	8,333 33	1,975,328 33	2,138,958 60
126. Enveloppes timbrées	19,390 0	...	19,390 0	21,390 0
127. Subventions pour l'entretien des relais de poste	7,602,919 91¾	3,900 0	7,606,819 91¾	7,606,819 911
c. Revenu des télégraphes.				
128. Entretien de l'administration avec ses sections et stations, entretien et renouvellement capital successif des lignes et des fils télégraphiques et dépenses diverses	2,145,889 2½	53,332 42	2,199,221 44½	2,060,905 92½
	14,089,225 83	122,596 78½	14,211,822 61½	13,872,666 31¾
Total du Ministère de l'Intérieur	33,095,733 74¼	1,769,990 13	34,865,723 87½	34,223,144 97¾

11. *Ministère de l'Instruction Publique.*				
Dépenses d'Administration Générale.				
129. Administration centrale	169,406 18	14,764 0	184,170 18	178,266 18
130. Administration des arrondissements scolaires	337,251 23	55,156 70	392,407 93	366,623 2
131. Universités et lycées	2,037,504 15	24,506 11	2,062,010 26	2,053,430 57
132. Gymnases	3,449,272 59	189,638 70	3,638,911 29	3,445,087 93½
133. Ecoles de district, de paroisse et primaires, et établissements spéciaux d'éducation	1,712,211 47¾	156,163 40	1,868,374 87¾	1,893,900 93¾
134. Dépenses pour les Grecs-Unis	177,648 0	55,900 0	233,548 0	233,548 0
135. Subvention pour les sciences et la pédagogie, dépenses de construction, préparation de professeurs et maîtres, et menues dépenses diverses	713,512 35½	188,285 25	901,797 60½	913,022 91
Total du Ministère de l'Instruction Publique	8,596,805 98¼	684,414 16	9,281,220 14¼	9,083,879 55¼*
12. *Ministère des Voies de Communication.*				
Dépenses d'Administration Générale.				
136. Administration centrale	722,112 62¾	157,922 94	880,035 56¾	806,018 37
137. Administrations locales	1,357,373 11½	61,490 1	1,418,863 12½	1,407,532 33
138. Partie pédagogique	102,501 70	4,150 0	106,651 70	110,251 70
139. Communications fluviales	692,918 16	742,918 20	1,435,836 36	1,329,564 41
140. Routes	3,839,158 82½	...	3,839,158 82½	3,876,158 82½
141. Constructions et entretien des édifices et ouvrages d'art	52,348 0	434,973 0	487,321 0	384,173 97
142. Dépenses du chemin de fer Nicolas	3,562,619 5	109,000 0	3,671,619 5	...
143. Subventions (garanties) aux sociétés particulières de chemin de fer	...	4,600,910 50	4,600,910 50	4,500,000 0
	10,329,031 47¾	6,111,364 65	16,440,396 12¾	12,413,699 60½
Frais de Perception.				
a. Chemins de fer.				
144. Administrations des chemins de fer, dépenses d'entretien des voies, des édifices et du matériel roulant, et dépenses imprévues	4,868,633 28	227,044 72	5,095,678 0	3,374,565 60
b. Péages sur les chaussées et droits de navigation.				
145. Entretien de l'administration et autres dépenses pour cette partie	105,699 21	...	105,699 21	104,917 24
	4,974,332 49	227,044 72	5,201,377 21	3,479,482 84
Total du Ministère des Voies de Communication	15,303,366 96¾	6,338,409 37	21,641,773 33¼	15,893,182 44½†
13. *Ministère de la Justice.*				
Dépenses d'Administration Générale.				
146. Sénat dirigeant et institutions de son ressort	1,321,378 61	27,535 92	1,348,914 53	1,271,583 85½
147. Administration centrale	133,297 28	35,931 34	169,228 62	174,872 77

* Comparativement au crédit du Budget de 1868, qui ne s'élevait qu'à 8,849,306 roubles 55¼ copecks, cette somme offre un excédant de 234,573 roubles transférés du chapitre des dépenses du Royaume de Pologne au Ministère de l'Instruction Publique.

† Ce chiffre offre sur le crédit du Budget de 1868, qui s'élevait à 25,071,577 roubles 93¼ copecks, une diminution de 9,178,395 roubles 48¼ copecks, qui étaient alloués pour les dépenses du chemin de fer Nicolas et qui sont exclus du présent Budget.

	Dépenses.		Total.	Allocations de l'Exercice 1869.
	Permanentes.	Temporaires et Extraordinaires.		
	Roubles c.	Roubles c.	Roubles c.	Roubles c.
148. Tribunaux de Gouvernement, de district, d'arrondissement, et institutions judiciaires spéciales à certaines localités	5,746,289 70	281,650 15½	6,027,939 85½	5,760,270 14½
149. Contrôle provincial et de district	300,521 69½	18,779 29½	319,300 99	347,798 84
150. Arpentage	643,302 67	118,946 73¼	762,249 40¼	691,362 18¾
151. Ecole impériale de droit	189,157 0	...	189,157 0	164,083 56
152. Dépenses diverses	66,689 78	2,600 0	68,689 78	69,710 72
	8,400,036 73½	485,443 44¼	8,885,480 17¾	8,479,682 7¾
Frais de Perception.				
Droits pour homologation et enregistrement d'actes de mutation de propriété.				
153. Entretien des archives notariales dans les arrondissements judiciaires	145,472 0	...	145,472 0	107,104 0
Total du Ministère de la Justice	8,545,508 73½	485,443 44½	9,030,952 17¾	8,586,786 7
14. *Contrôle de l'Empire.*				
Dépenses d'Administration Générale.				
154. Entretien du contrôle de l'Empire et des institutions de son ressort, dépenses économiques et autres ...	1,625,692 80¾	248,092 53½	1,873,785 34¼	1,863,987 26½
15. *Direction Générale des Haras de l'Empire.*				
Dépenses d'Administration Générale.				
155. Administration centrale	70,780 62	...	70,780 62	70,780 62
156. Haras de l'Etat et établissements hippiques à Moscou et à St. Pétersbourg	179,961 39	4,250 0	184,211 39	181,943 64
157. Dépenses économiques d'exploitation	322,680 97	15,000 0	337,680 97	301,738 90¾
158. Dépenses de construction et autres	50,800 0	7,250 0	58,050 0	58,350 0
Total pour les Haras de l'Empire	624,222 98	26,500 0	650,722 98	612,813 16¾
16. *Dépenses du Royaume de Pologne non comprises dans les Budgets Spéciaux des Ministères.*				
159. Commission juridique	...	50,922 50	50,922 50	69,385 10
160. Administration de la Justice	817,723 44	6,425 0	824,148 44	832,558 44
161. Comité d'organisation	2,387,608 2	844,580 0	3,232,188 2	2,712,274 96¾
162. Finances	6,461,138 51½	1,703,953 39	8,165,091 90½	7,293,262 61¾
Total pour le Royaume de Pologne	9,666,469 97½	2,605,880 89	12,272,350 86½*	10,907,481 12½†

* Y compris 801,711 roubles 14¾ copecks pour frais de perception.

† Comparativement aux 13,858,917 roubles 25¾ copecks inscrits au Budget de 1868, il y a une différence en moins de 2,951,436 roubles 13¼ copecks fournie par les crédits ci-dessous inscrits en dépense dans le présent Budget, à la colonne des allocations pour 1868 aux chapitres—du Saint Synode 106,177 roubles 16¼ copecks; des Ministères de la Guerre 16,847 roubles 50 copecks, de l'Intérieur 2,580,838 roubles 47 copecks, de l'Instruction Publique 234,573 roubles, et dans les dépenses d'ordre 13,000 roubles.

17. Administration Civile du Trans-Caucase.				
163. Dépenses de l'administration civile et de l'organisation du Trans-Caucase	5,892,794 99	834,646 21¾	6,727,441 20¾	5,976,621 85
Total des Dépenses Ordinaires de l'Etat	313,358,995 28½	118,792,611 80½	432,151,607 9	413,153,683 13¾
164. (B.)—Non Valeurs dans les Recettes	3,000,000 0	...	3,000,000 0	4,000,000 0
(C).—Depenses d'Ordre.				
165. Volumes du corps des lois livrés pour le compte du trésor et travaux pour les grands corps de l'Etat, exécutés par l'imprimerie de la 2e section de la Chancellerie particulière de Sa Majesté l'Empereur ...	116,835 0	...	116,835 0	123,180 0
166. Métaux bruts et ouvrés produits par les mines et usines pour les Ministères de la Guerre, de la Marine, et des Voies de Communication	3,207,749 64	160,000 0	3,367,749 64	3,153,440 89¾
167. Frais d'arpentage dans les Gouvernements de Poltava et Tchernigow	50,000 0	200,000 0	250,000 0	250,000 0
168. Entretien et dépenses économiques de l'expédition de fabrication des papiers d'Etat	815,035 6	18,489 45	833,524 51	595,810 39
169. Hautes payes aux médecins de district et de ville, et frais de publication du journal "Archives de Médecine Légale et d'Hygiène Publique" imputables sur le produit de la vente du papier timbré spécial pour les actes de médecine légale	250,266 78	...	250,266 78	200,000 0
170. Approvisionnements de vivres, de fourrages et d'autre matériel destinés à être vendues à d'autres administrations et autres dépenses faites par certaines administrations pour compte d'autres ...	1,586,844 3	50,196 75½	1,637,040 78½	1,866,662 45¼
171. Dépenses diverses remboursables	6,229,500 0	3,119,579 23	9,349,079 23	9,319,390 88
Total des Dépenses d'Ordre	12,25[illegible] 30 51	3,548,265 43½	15,804,495 94½	15,508,484 62*
Total	328,615,225 79½	122,340,877 24	450,956,103 3½	432,662,167 75¾
172. (D).—Depenses Temporaires Extraordinaires pour construction de chemins de fer et travaux des ports d'Odessa et de Riga couvertes par des ressources extraordinaires spéciales	...	31,123,303 30	31,123,303 30	38,665,693 88
Total Général des Dépenses	328,615,225 79½	153,464,180 54	482,079,406 33½†	471,327,861 63¾

* Comparativement à la somme de 18,997,984 roubles 62 copecks, ce chiffre offre une différence en moins de 3,489,500 roubles, provenant, d'une part, de ce qu'une somme de 3,500,000 roubles a été transférée des dépenses d'ordre du chapitre 87 du présent Budget pour couvrir les dépenses d'exercices clos, et de la suppression de 2,800 roubles de dividendes afferents aux actions de l'établissement des eaux minérales de St. Pétersbourg, dont il est fait abandon à l'établissement, tandis que par contre 13,000 roubles ont été transférés du chapitre du Royaume de Pologne aux dépenses d'ordre.

† Dans ce chiffre figurent:—

	Roubles c.
a. Les dépenses d'Administration Générale de l'Etat pour	385,712,623 71¼
b. Les frais de perception	46,438,983 37¼
c. Les non-valeurs	3,000,000 0
d. Les dépenses d'ordre	15,804,495 94¼
e. Celles pour constructions de chemins de fer et travaux des ports couvertes par des ressources extraordinaires spéciales	31,123,303 30
Total égal	482,079,406 33½

France.

Reports by Mr. West, Her Majesty's Secretary of Embassy, on the Commerce, Shipping, and General Statistics of France.

Paris, January 1, 1869.

Report on Commerce, Shipping, &c.

The Customs Returns for the nine months ended September 30, 1868, give the following values of the imports and exports:—

Imports.

	£
Articles of food	30,452,000
Raw material and natural products ..	60,288,000
Manufactured articles	6,760,000
Other articles	4,240,000
Total	101,740,000

As compared with the same period of the previous year there is an increase of 12,140,000*l.*, as the following figures show:—

	£
Articles of food	22,420,000
Raw material and natural products ..	56,292,000
Manufactured articles	6,640,000
Other articles	4,248,000
Total	89,600,000

The increase of 12,140,000*l.* is accounted for as follows:—

	£
Articles of food	8,020,000
Raw material and natural products ..	4,000,000
Manufactured articles	120,000
Total	12,140,000

The imports of corn into France during the early part

of the year were very large,* and commercial as well as manufacturing transactions were very limited, from causes which it is not necessary here to state. In examining, however, the Returns for the last month of the three-quarters, I find that there is a diminution in the value of the imports under the head "Articles of Food" of 540,000*l.*, a result doubtless owing to the late abundant harvest, for the value of the imports of corn into France during that month was only 300,000*l.* On the other hand there appears an increase in the value of imports under the head "Raw Material and Natural Products" for the same month of 1,080,000*l.* The increased values are chiefly in raw cotton, silk and flax, and cotton and silk manufactures. It may fairly be argued, therefore, that the condition of the home market is improving, and that there was at the end of the month of September last a greater activity in commercial and manufacturing transactions than at the commencement of the year. There is no doubt but that the importation of foreign manufactured goods is increasing; but not to such an extent as to cause any real injury to native manufactures, or to justify the alarm at foreign competition which is felt by many persons in this country. France imported in the month of September 1867 foreign manufactured goods to the value of 660,000*l.*, and in 1868 to the value of 720,000*l.* Although there appears an increase, the depression in home transactions can scarcely be attributed alone to successful foreign competion, nor in any way to the effects of our Commercial Treaty. There are other causes which perhaps it may be convenient to ignore, but which, nevertheless, are in existence to account for it.

Exports.

The total value of the exports for the period ended 30th of September, 1868, was 83,220,000*l.*, as against 83,560,000*l.* in 1867, showing a decrease of 340,000*l.* If compared with the Returns of 1866 this decrease is still greater, as follows:—

	£
Value for 1866	95,000,000
„ 1868	83,220,000
Decrease	11,780,000

* The quantity imported during the first six months of the year was 2,924,395 quarters, value 7,056,800*l.*

The value of the exports for 1868 are classed under the following heads:—

	£
Manufactured articles	48,772,000
Natural products	31,352,000
Other merchandize	3,096,000
Total	83,220,000

And the value for 1867—

	£
Manufactured articles	48,648,000
Natural products	32,000,000
Other merchandize	2,912,000
Total	83,560,000

In the value, therefore, of manufactured articles exported in 1868, there is an increase of 124,000*l.* A real marked improvement has taken place in the silk trade. During the nine months of 1868 silk goods were exported to the value of 14,000,000*l.*, as against 13,160,000*l.* in 1867, showing an increase of 840,000*l.* Woollen tissues have increased by 80,000*l.*; while, on the other hand, cotton tissues have declined by 120,000*l.* There has been an increase of 200,000*l.* in the value of the exports of machines and mechanical constructions, and of 220,000*l.* in the export of arms; 40,000*l.* in artificial flowers; 80,000*l.* in glasses; and 120,000*l.* in furniture. On the other hand, a decrease of 320,000*l.* in "confections;" 240,000*l.* in jewellery and watches; 360,000*l.* in refined sugars; and 240,000*l.* in leather artieles. As regards the value of the export of agricultural produce there is a decrease of 640,000*l.*; corn to the value of 540,000*l.*; cattle likewise 540,000*l.*; eggs, cheese, and butter, 240,000*l.*; wood for building, 120,000*l.*; hides, 100,000*l.*; wool, 120,000; brandies, 160,000*l.*; and fruit, 80,000*l.* There has been an increase, however, in wine—7,800,000*l.* in 1868, as against 7,120,000*l.* in 1867—and also, as has been already observed, in silks.

Precious Metals.—The value of the imports of the precious metals for the three quarters of the years 1868 and 1867, has been as follows:—

	£
In 1868	22,544,000
1867	24,348,000
Decrease	1,804,000

The export has been—

	£
In 1868	12,068,000
1867	7,764,000
Increase	4,304,000

The imports have exceeded the exports during 1868, therefore, by 10,476,000*l.*

Imports for ten months, years 1861 *to* 1868.—The latest Returns which I have been able to procure are for the ten months of the years 1861 to 1868 inclusive. The following are the values of the imports:—

	Food.	Natural Produce.	Manufactures.	Other Articles.
	£	£	£	£
1868 ..	32,911,800	68,103,840	7,846,640	4,940.200
1867 .	26,686,960	62,114.760	7,442,800	4,385,160
1866 ..	15,710,920	66.527,080	7,499,200	3,637,520
1865 ..	15,832,160	61.982,720	6,510,040	3.039.280
1864 ..	16,521,280	58.013,080	5,287,640	2,967,240
1863 ..	18,602.000	54,230,200	5,024,560	2,988,920
1862 ..	20,907.080	41,512,200	5,491,400	*
1861 ..	23,845.600	48.570,080	*	*

And the value of the exports:—

	Manufactures.	Food.	Other Articles
	£	£	£
1868	55,330,760	35,708,440	3,311,240
1867	54,645,800	35,536,080	3,392,640
1866	51,594,880	41,986,880	2,909,000
1865	59,136,000	37,076,640	3,097,880
1864	61,914,680	34,511,560	2,949,720
1863	52,818,840	30,492,360	2,900,680
1862	43,690.760	26,021,320	3,896,920
1861	37,830,920	21,502.640	3,492.360

Importation of Sheep.—There is an increase in the number and value of the importation of sheep during the ten months of 1868 over the corresponding period of 1867 and 1866, as follows:—

	Number.	Value.
		£
1868	1,347,758	2,124,440
1867	886,332	1,413,000
1866	488,705	1,111,720

* Figures effaced in Returns.

Cows.—Also in the number and value of cows :—

	Number.	Value.
		£
1868	77,696	838,600
1867	58,193	627,600
1866	39,059	421,800

Bullocks.—With regard to bullocks I find that in 1867 the number imported was 94,123, whilst for the ten months of 1868 it was only 82,440. The same period of 1866 shows only 48,374.

The importation of live animals seems in general to be increasing.

Corn and Grain.—The importation of corn and farinaceous food of all kinds has largely increased. I find the value estimated at over 11,000,000*l.* It is not, however, possible to ascertain as yet the exact figure. If the estimated value is correct, France must have imported during the months of August, September, October, and November, corn to the value of over 3,500,000*l.* for as above stated the value for the half-year was 7,056,800*l.*

Fish.—The value of the imports of all kinds of fish with the exception of oysters, appears to have diminished. Stockfish especially, which in 1866 was imported, during the ten months, to the value of 16,520*l.*, reached only the value of 10,500*l.* in 1868. The import of oysters increased from a value of 62,840*l.* in 1866 to 92,280*l.* in 1868.

The following are, among other articles, the value of the importation of which has increased during the ten months of 1868 over the same period of the previous year.

	1868.	1867.
	£	£
Cotton	9,719,680	8,764,440
Flax	3,315,120	2,552,120
Hemp	344,560	275,800
Wool	9,723,040	8,124,880
Silk	12,843,480	10,933,520
Flaxen, hempen, and jute threads	466,160	336,480
Cotton threads	344,320	320,320
Woollen ditto	326,920	256,240
Flaxen and hempen tissues ..	562,520	492,160
Silk ditto	764,040	707,420
Woollen ditto	1,838,200	1,471,420
Cotton ditto	683,200	663,760
Iron	110,480	64,960

The value of the exports for the ten months of 1868 is considerably greater than for the same period of 1861, but does not show a proportionate increase over the intervening years. As compared with the years 1864, 1865, and 1866 the value has actually decreased.

	£
1868	94,450,440
1867	93,574,520
1866	106,490,760
1865	99,310,520
1864	99,335,960
1863	86,111,880
1862	72,609,000
1861	62,825,920

The imports and exports are valued according to a system established by the permanent Commision appointed in 1867.

Proceeds of Indirect Taxes.—The revenue derived from the indirect taxes for the first nine months ended September 30, 1868, amounted to 37,195,200*l.* As compared with the same period of the previous year there is an increase of 439,360*l.* and of 710,000*l.* over the year 1866.

	£
Amount of revenue in 1868	37,195,200
,, in 1867	36,755,840
Increase	439,360
Amount of revenue in 1868	37,195,000
,, in 1866	36,485,200
Increase	710,000

It is calculated that the revenue was less in 1868 than in 1867 by 390,000*l.*, owing to a reduction effected during the last year in the registration, navigation, and Customs dues; but on the other hand it appears from reference to the above figures, that notwithstanding this loss, the revenue increased by 270,640*l.* in 1867 over 1866, so that the actual loss was only 119,360*l.* for that year, while this amount is more than covered by the increase of 1868 over 1867.

TABLE showing the Proceeds of the Indirect Taxes for the first nine months of the Year 1868, compared with the same period of the Years 1867 and 1866.

Sources of Revenue.	Amount of Revenue for First Nine Months.		
	1868.	1867.	1866.
	£	£	£
Registration tax	10,676,520	10,573,480	10,177,880
Stamp duties	2,519,840	2,465,400	2,446,240
Customs—			
Duty on grain	2,212,640	2,051,800	1,945,080
,, Colonial sugars	920,040	1,198,920	1,200,920
,, foreign sugars	417,160	449,040	459,280
Export duties	5,080	6,440	10,280
Navigation dues	8,480	14,440	129,360
Other proceeds from Customs . ..	44,520	43,960	43,960
Tax on salt—			
Customs duty on	550,720	582,600	583,560
Indirect duty on	281,400	278,560	276,360
Tax on liquors	6,938,080	6,764,360	7,009,840
Duty on manufacture of home sugars ..	1,616,240	1,396,640	1,533,480
Other receipts under various heads ..	955,120	950,200	1,017,920
Tobacco monopoly	7,286,200	7,329,440	7,099,920
Sale of powder	391,960	364,840	364,600
Post Office receipts	2,238,320	2,186,520	2,076,000
Tax on transport of money	46,480	43,000	39,160
Tax on transport of declared values ..	30,720	28,920	27,440
Tax on transit of foreign correspondence .	52,920	35,280	42,320
Other receipts	2,760	2,000	1,600
	37,195,200	36,755,840	36,485,200

It will be seen from the accompanying Table that the sources of revenue which have been more productive are those which are affected by a stagnation in general transactions, and their improvement, therefore, is a sign of greater activity in all operations affecting the transfer of property, mortgagees, and the circulation of capital.

The Returns for each quarter are as follows :—

	£
First quarter	11,930,760
Second ditto	12,746,240
Third ditto	12,518,200
	37,195,200

The sources of revenue above alluded to as having improved are—

	£
Registration tax	100,000
Stamps	54,000
Customs	160,000
Excise	180,000
Home sugars	220,000
Post Office	52,000

Those which show a decrease are—

	£
Colonial sugars	280,000
Foreign sugars	31,000
Tobacco	40,000

The anticipated revenue to be derived from the indirect taxes for the year 1868 was estimated at 49,760,000*l.*, so that the first three quarters ought to have produced 37,320,000*l.* instead of only 37,195,200*l.* It is not, therefore, likely that the anticipated amount of revenue from indirect taxation will be realized. Many of the indirect taxes press heavily upon the industry of the country in general, as well as upon the consumer, who, it must be remembered, if he resides in any town, is subjected to the octroi duties and municipal dues. These imposts enhance greatly not only the prices of the luxuries of life, but also of the necessaries; and in the case of a scarcity of any particular article, the rise is sometimes exorbitant. The octroi affords from time to time some curious statistics as regards the consumption of food in the great towns. For example, I find that the city of Paris consumed in the year 1867, 4,500,000 chickens, 1,700,000 geese, 1,700,000 rabbits, 700,000 ducks, 700,000 capons, 400,000 turkeys, 50,000 deer, 1,700,000 larks, 625,000 partridges, 80,000 pheasants, 200,000 snipes, 40,000 quails, and 45,000 plovers, of the value of 1,040,000*l.**

The Registration Tax, which is, in fact, a direct tax which the purchaser of fixed property is called upon to pay, acts in the case of small tenements as a serious impediment to the transfer of property, and consequently to the free circulation of capital in the provinces. When, therefore, any marked improvement takes place in its proceeds, it is a sure sign that there is a greater buoyancy in local transactions and financial operations. A beneficial result, therefore, would surely ensue upon a reduction of this heavy impost.

No just estimate of the revenue and expenditure for either the year 1867 or 1868 can be formed at present from the Returns from time to time published. Until the "Budget Définitif" is compiled, which will not be till 1870, the details cannot be known.

The estimated revenue for 1867 shows a slight surplus

* See statement on the Budget for the City of Paris for years 1867–68, at the end of this Report.

over the expenditure, while the estimated revenue and expenditure for 1868 are made nearly to balance. The publication of the Returns of direct and indirect taxation, therefore, scarcely indicates the exact financial situation of the revenue; for what appears as money upon paper oftentimes does not appear in money in the Treasury. Such Returns, however, afford more or less the means of judging of the condition of the tax-paying portion of the population, and of the consequent increasing or decreasing prosperity of the country at different periods of the same year; while the variation in the proceeds indicates at the same time the pressure of certain taxes upon the internal industry and commercial transactions of the country.

Looked at in this point of view both the Revenue and Customs Returns are most satisfactory.

Shipping and Navigation.

These Returns have been published for the first ten months of 1868, and are compared with those for the same period of the years 1867 and 1866:—

TABLE showing the number of French and Foreign Ships Entered and Cleared for the first ten Months of the Years 1868, 1867, 1866.

	Entered.						Cleared.					
	1868.		1867.		1866.		1868.		1867.		1866.	
	No. of Ships.	Tons.	No. of Ships.	Tons.	No. of Ships.	Tons.	No. of Ships.	Tons.	No. of Ships.	Tons.	No. of Ships.	Tons.
French ships—												
French colonies and other possessions	1,208	418,574	1,252	413,717	1,214	335,329	1,361	428,341	1,376	400,694	1,468	363,126
Fishery	529	61,457	449	53,064	432	51,485	533	64,770	459	55,036	1,020	265,168
Navigation with Europe	6,451	899,225	6,992	938,540	6,585	876,209	3,946	619,012	3,779	593,914	4,554	616,535
„ out of Europe...	1,149	560,371	1,132	535,090	1,019	457,296	920	483,599	937	483,312	924	448,104
Total	7,600	1,459,596	8,124	1,473,630	7,604	1,333,505	4,866	1,102,611	4,716	1,082,226	5,478	1,064,639
Total of French ships ...	9,337	1,939,627	9,825	1,940,416	9,250	1,720,319	6,760	1,595,722	6,551	1,537,956	7,966	1,692,932
Foreign ships—												
French colonies and other possessions	35	5,049	19	3,514	4	1,066	68	11,389	32	7,037	1	41
Navigation with Europe	18,147	3,287,854	17,344	3,109,933	15,356	2,665,408	10,599	1,589,523	10,755	1,700,303	10,609	1,564,422
„ out of Europe	671	343,088	551	331,610	494	227,283	427	203,664	440	205,177	560	254,963
Total	18,818	3,630,942	17,895	3,441,543	15,850	2,892,691	11,026	1,793,196	11,195	1,905,480	11,160	1,819,385
Total of foreign ships ...	18,853	3,635,991	17,914	3,445,057	15,854	2,893,757	11,094	1,804,585	11,227	1,912,517	11,161	1,819,426

It will be seen from the first Table annexed that the number of French ships entered in 1868 has diminished as compared with the previous year. The number, however, cleared has increased. The number of foreign ships entered has increased, while the number cleared has decreased.

TABLE showing Number of Ships Entered and Cleared, and Amount of Tonnage at the Principal Ports for the First Ten Months of 1868, 1867, and 1866.

Ports.	1868.				1867.				1866.			
	No. of Ships Entered.	Tonnage.	No. of Ships Cleared.	Tonnage.	No. of Ships Entered.	Tonnage.	No. of Ships Cleared.	Tonnage.	No. of Ships Entered.	Tonnage.	No. of Ships Cleared.	Tonnage.
Marseilles	6,440	1,713,761	4,666	1,189,173	5,048	1,382,533	3,662	1,071,753	4,042	1,114,352	3,311	968,541
Havre	2,405	849,898	1,220	456,843	2,428	843,507	1,273	467,573	2,206	712,991	1,301	462,566
Bordeaux	1,294	408,208	915	286,013	1,342	393,654	946	276,489	1,428	385,505	951	278,728
Boulogne	1,496	264,885	968	189,198	1,674	303,330	1,173	233,628	1,342	243,880	1,010	190,181
Dieppe	1,200	271,439	822	168,814	1,367	325,327	961	204,783	1,191	235,926	758	125,711
Dunkerque	1,746	321,842	847	133,651	1,709	297,953	854	141,206	1,651	274,913	1,056	155,342
Calais	1,369	246,078	998	167,720	1,553	268,402	1,192	185,369	1,368	254,010	1,051	181,752
Cette	1,270	177,140	760	124,064	965	155,128	716	704,249	1,079	153,752	948	141,200
Nantes	865	93,353	303	36,916	1,000	102,799	323	38,850	893	87,697	739	81,184
St. Nazaire	457	202,098	96	61,731	426	198,043	94	60,160	401	150,312	132	64,633
Rouen	676	107,573	420	50,978	679	107,553	388	46,453	585	87,243	464	56,249
Nice	626	68,699	476	51,579	604	60,214	397	38,789	503	47,313	365	32,156
Bayonne	368	29,369	346	24,479	328	24,470	425	36,739	303	24,824	379	29,062
Other ports	7,978	821,275	5,017	463,968	8,616	918,555	5,374	544,432	8.106	842,424	6,167	545,431

It appears from the figures of the second Table that the total number of ships, French and foreign, has increased in 1868 over the two previous years, the decrease at some of the ports being more than balanced by an increase at others.

The number of English ships entered and cleared at French ports during the ten months of 1868 has diminished very considerably, according to these Returns:—

	Entered.			Cleared.		
	Year.	No.	Tons.	Year.	No.	Tons.
Marseilles ..	1868	102	22,693	1868	101	22,951
	1867	1,893	325,622	1867	1,318	247,544
	1866	1,474	297,211	1866	1,089	221,928
Havre . ..	1868	928	281,646	1868	436	129,534
	1867	1,408	489,644	1867	684	216,266
	1866	1,314	423,724	1866	694	215,311
Bordeaux ..	1868	297	122,298	1868	173	61,046
	1867	531	188,584	1867	317	98,494
	1866	538	179,279	1866	328	94,484
Boulogne ..	1868	1,330	240,451	1868	903	183,168
	1867	1,571	290,560	1867	1,140	230,146
	1866	1,285	233,500	1866	986	187,257
Dieppe	1868	993	220,660	1868	715	140,579
	1867	1,232	289,014	1867	86	177,958
	1866	1,064	204,495	1866	669	102,201
Dunkerque ..	1868	681	116,063	1868	497	89,850
	1867	156	49,010	1867	592	108,552
	1866	101	30,788	1866	791	119,168
Calais	1868	862	139,166	1868	689	104,238
	1867	1,146	182,207	1867	876	124,610
	1866	959	166,476	1866	733	125,241
Cette	1868	57	10,220	1868	18	4,197
	1867	426	58,942	1867	282	28,044
	1866	599	76,062	1866	439	43,052
St. Nazaire ..	1868	186	82,388	1868	11	3,731
	1867	191	84,577	1867	9	1,685
	1866	193	63,854	1866	25	5,859

There is a diminution also at the ports of Rouen, Nice, and Bayonne, and, under the head of other ports :—

Entered.			Cleared.		
Year.	No.	Tons.	Year.	No.	Tons.
1868 ..	4,687	466,078	1868 ..	2,752	246,554
1867 ..	4,910	507,377	1867 ..	3,279	319,124
1866 ..	4,465	485,677	1866 ..	3,302	292,635

I have taken these Returns from the statistical documents published by the French Custom-house for the ten months of 1868; but they must be taken with reserve until those for the end of the year appear.

(Signed) L. S. SACKVILLE WEST.

Statement of the Budget for the City of Paris for the Year 1867.

The Budget is divided into three parts:—

1. Revenue and expenditure for the year 1867.
2. Actual financial state of the year 1868.
3. Anticipated Budget for 1868. It is as complicated a document in its details as that which sets forth the Budget of the State.

The revenue as well as the expenditure is divided into four sections: ordinary and extraordinary, supplementary and special. The ordinary receipts, which consist of the regular municipal revenue, are subjected to certain permanent and obligatory charges, as is the case with the revenues of the State Departments. The extraordinary receipts are, of course, of the most variable nature, and are easily capable of being made to balance the expenses under the same head. The special receipts and expenses are made up from the proceeds of the various loans contracted for special purposes, the receipts coming under the head of the first section or ordinary revenue, and the expenses or interest under the head of the second or extraordinary revenue. The Supplementary Budget connects the current financial situation with the one preceding.

The two first sections form the real Budget, and it is by an annual comparison of them that it is sought to demonstrate the success of the administrative measures lately inaugurated. The vast works undertaken and still in progress, and the enormous amount of labour employed, have not only increased the octroi duties but have, as a natural consequence, increased the sources from which the municipal revenue is derived.

In the year 1860 the ordinary receipts were 4,252,000*l.* In 1863 they rose to 4,944,000*l.*, and in 1867 to 6,064,000*l.*, an increase in five years of 1,120,000*l.*, or 42 per cent.

For 1868 the receipts are put down at 6,180,000*l.* The reverse of the picture is, however, not so satisfactory. The obligatory and permanent expenses have largely augmented. They were in:—

	£
1860	2,600,000
1863	3,308,000
1867	3,896,000
1868	4,104,000

An increase in five years of 1,400,000*l.* or 50 per cent. But the anticipated Budget for 1869 presents a still worse state. Although it is true that the anticipated receipts show an increase of nearly 80,000*l.*, the expenses are set at 5,260,000*l.*, an increase of 1,156,000*l.* over the previous year, and of 2,560,000*l.* over 1860, or more than 100 per cent. This rapid increase is owing to the numerous loans contracted for works in progress, and it is calculated that they will raise the municipal debt from 840,000*l.* in 1868, to 1,844,000*l.* in 1869. Notwithstanding the most confident anticipations on the part of the present municipal authorities of their ability to meet the increased expenditure, it may well be doubted whether such a state of things can last; for it must be remembered that the accidental and almost artificial causes upon which the elasticity of the revenue depend may at any moment cease, and thus it is that undertaking new works of improvement becomes a necessity, for with their cessation will cease the increasing revenue.

(Signed) L. S. SACKVILLE WEST.

Report on the Finances and Public Credit of France.

Paris, January 10, 1869.

The year 1868 has been marked by no political crisis which can in any way account for the languishing state of all mercantile and commercial transactions which has prevailed throughout France since its commencement. Capital has been locked up to an unprecedented extent, enterprise suspended, and a general stagnation has reigned inall affairs connected with the circulation of money, which has not only been felt in France but has affected most other countries as well. That such has been the case, the actual state of the Banks of England, France, Prussia, Holland, and Belgium

clearly demonstrate. The receipts of these five establishments added together amount to the large sum of 92,000,000*l.* while their deposits represent an unproductive capital of 66,080,000*l.*, and they hold Bills and effects to the amount of 63,200,000*l.* This financial state, therefore, of the great Banks of Europe, if it has not been caused by any political crisis, must necessarily be attributed to some real or imaginary disquietude arising from a general want of confidence in the pacific declarations of the Great Powers, and consequently in their ability to maintain the peace of Europe.

The condition of France in the year 1847 was described by one who was destined to play an important political part during the subsequent year, in these words: "La France s'ennuie." At the present moment it has been said "La France attend." To such an extent is this true, that during the last year no national industrial enterprises have been embarked in. There have been foreign undertakings, such as the Egyptian Loan, the Italian Tobacco Monopoly the Turkish Loan of 125,000,000 francs, the Egyptian Bank and the Spanish Loan, but nothing else. French financial operations have been entirely confined to relieving the pecuniary necessities of needy and almost bankrupt foreign potentates, and thus the credit which, under ordinary circumstances would have been employed in the development of the national industry, has been wasted in uncertain and precarious speculations abroad. The little enterprise which has been manifested has been turned, therefore, from its natural and legitimate channel, by the expectant position into which the country has been forced, and by the consequent uncertainty as to the turn which events may take. It must not, however, be inferred from what has been said that the amount of capital in France available for investment is diminishing. There is no reason for supposing that such is the case, but, on the contrary, the Bank deposits indicate, perhaps, even a greater amount than usual. The evil produced by the situation consists in the suspension of the reproduction of capital, and the consequent loss to the country of the circulating medium accruing therefrom, It is a situation which, up to the present time, clearly indicates the painful state of suspense into which the public have been thrown, but it does not prove that the resources of the country are in any way failing, or are inadequate to meet the demands

made upon them. At the moment, however, when this state of suspense was becoming almost intolerable, the rumours of a Conference on the Turco-Greek question, were opportunely circulated, and as they gained credence produced a most beneficial effect in restoring, in some measure, public confidence in the maintenance of peace. Whether the financial operations of the French during the last week of the year were entirely the result of these rumours may be questioned, but it is certain that a sudden impulse was given to discounting operations, and the "Portefeuille" of the Bank, which was on the 24th of December only 19,720,000*l.*, rose on the morning of the 31st, to 25,640,000*l.*, thus realizing in a few days an increase of 5,920,000*l.* It is said in financial circles that this movement will be counterbalanced when the balance of certain companies is made up; but be this as it may, it has had the effect of adding 3,760,000*l.* to the circulation, which reaches now 55,320,000*l.* The receipts fell off to the amount of 1,260,000*l.*, and consequently came down to 44,320,000*l.* The balance of deposits represented an inactive capital of 13,240,000*l.*, and this still shows an increase. Such was the state of the Bank finances at the end of the year. Compared with the same period of the previous year a considerable difference appears:—the receipts were then 40,600,000*l.*; the "Portefeuille," 19,880,000*l.* The notes in circulation amounted to 44,920,000*l.* and accounts current represented 16,840,000*l.* The following statement shows the variation:—

1868.

	£
Receipts increase	3,720,000
Portefeuille ditto	5,760,000
Circulation ditto	10,400,000
Accounts Current decrease	3,600,000

It must be remembered, however, that this comparison is made with a period of the year 1868, when, as I have just observed, a sudden movement took place in Bank transactions which, for the moment, somewhat changed the aspect of affairs.

The financial disasters which occurred during the year 1867 had their full share in shaking public confidence, and have doubtless increased the tension. Discredit was even attached to securities which had weathered the storm, and a general distrust was manifested as regarded

the investment of capital. The quotations for the month of January 1868, were as follows:—

	Frs.	c.
Crédit Foncier	1,345	0
Société Générale	510	0
Comptoir d'Escompte	640	0
Lyons Railway	865	0
Orleans ditto	860	0
North ditto	1,170	0
South ditto	550	0
Austrian ditto	507	0
Lombard ditto	345	0
East and West ditto	550	0
Italians	44	50
Crédit Mobilier	160	0
L'Immobilière	72	0
Crédit Mobilier Espagnol	180	0
Transatlantiques	270	0

This was the state of the Bourse at the beginning of the year 1868, with the rente scarcely maintaining itself at 68 francs and 68 francs 50 centimes. Affairs of all kinds were languishing, and even sound speculations could find no development. A Government loan was also in contemplation to meet the actual necessities of the State. It was, however, necessary that the rente should be maintained at its then current price, as any further fall would have been likely to have caused a general collapse of public credit. Contrary to general expectation there was about this time a slight amelioration in the aspect of foreign relations, which afforded the opportunity to the Minister of Finance of bringing out the loan on the ground purely of internal financial necessity, and of adroitly turning it to good account. The public were taken by the arguments contained in the preamble of the measure; and as the Government proposed to deal in hard cash, and to discard the usual recourse to "Tibres," not only was it a financial success, but it infused a more healthy spirit into the Bourse. The rente rose to 70 francs, and with it all depreciated actions.* Public confidence seemed somewhat restored, and capital again appeared forthcoming for investments. Opportunities were soon found for it. In the month of July the Suez Canal loan of 100,000,000 francs appeared, followed a few days latter by an Egyptian loan of 297,000,000 francs. The public however, were

* See Table of quotations at the end of Report.

still reserved, for the Government loan was not yet out, having been kept back for the purpose of reaping all the advantage of the impulse given to the Bourse. When, therefore, it appeared in the month of August its success was complete, although a speculation almost inevitable in such transactions in France, impeded its proper classification, and rendered it necessary to have recourse to effecting a further rise in the rente, which at once caused suspicion, and did not produce the desired effect. The importance of the engagements entered into about the same time will be seen from the following Statement:—

	£
Hungarian loan	6,000,000
Egyptian ditto	11,880,000
Suez Canal ditto	4,000,000
French ditto	17,200,000
Tobacco monopoly	7,760,000
North East Austrian line	400,000
Italian line	600,000
City of Brussels	920,000
„ Liege	400,000
„ Naples	720,000
„ Lille	320,000
„ Palermo	80,000
„ Florence	800,000
Transatlantic Company	320,000
French Railways	6,000,000
	57,400,000

Many of these affairs have not answered the expectations of those who are engaged in them. It is calculated that the amount of French capital employed exceeds 20,000,000*l.*, and it must be remembered that it is nearly all invested in foreign undertakings. The French money market will therefore become more than ever encumbered with the quotation of doubtful stock, which, while it paralyzes French interests, cripples at the same time the free action of the banks.

Financial prospects are, however, in every respect brighter than they were at the commencement of the year 1868, and the announcement of the approaching Conference has given a general confidence for the moment in the maintenance of peace, which cannot but have a most beneficial effect throughout the country.

The nominal capital of the last loan, to which allusion has been made, was 18,000,000*l.* The rate of issue at 3 per cent. was 69 francs 25 centimes, and the capital

subscribed for amounted to 606,075,600*l.* The number of subscribers was 781,292. This loan has added a charge of 780,650*l.* in 3 per cent. rente to the annual interest of the funded debt, the capital of which amounted on the 31st December, 1867, to 540,805,305*l.* A surplus of 13,600*l.* was counted upon in the Budget for 1867, but the Minister of Finance stated, in laying the Budget estimates of 1869 before the Chambers in the month of February 1868, that instead of this surplus there would be a deficit of 7,560,000*l.*, and that a sum of 7,480,000*l.* would be required to meet the increased expenditure of the War and Marine Departments. The loan, therefore, was rendered absolutely necessary. It is a remarkable fact that both the capital subscribed for and the number of subscribers to this loan are greater than that of any of the five previous ones. The largest loan was that of July 1855, for 30,000,000*l.*, issued at 60 francs 50 centimes. The capital subscribed for was 146,108,965*l.*, and the number of subscribers was 316,976. It is scarcely to be wondered at, therefore, that the Government should have recourse to so easy a manner of obtaining the means of meeting an increasing expenditure—an expenditure which in the twelve years from 1852 to 1863 has increased from 60,520,000*l.* to 91,480,000*l.* Had not the ordinary revenue during the same period shown considerable elasticity, having increased from 59,480,000*l.* to 90,560,000*l.*, the Government could not have met its liabilities, even with the aid of the loans which it has raised, varying as to nominal capital from 10,000,000*l.* to 30,000,000*l.* The increase of the revenue, however, is a most satisfactory proof of the internal prosperity of the country, and whatever arguments may be brought to bear against the present financial system, the fact remains notorious that it has been accompanied at least by commercial measures of the most beneficial nature to the trade, commerce, and industry of the nation.

An examination of French Budgets, as a rule, if it does not show a surplus, at least shows a balance between receipts and expenditure, but when it is an ascertained fact that there have been large and increasing deficits for many years, not much confidence can be placed in their results. The system of voting the ordinary, extraordinary, and supplementary Budgets separately, leads naturally to much suspicion as to the manner in which the different

items are dealt with, and it is questioned with much reason whether the actual expenditure is ever really known, even to those who compile them.

As the "Budget Rectifié" for 1868 has not yet been published, I have not thought it necessary to comment upon the items of the "Budget Projeté" which are given in the financial Report of my predecessor, dated February 1868.

(Signed) L. S. SACKVILLE WEST.

Since the foregoing Report was drawn up, the annual Financial Statement of the Government has appeared.

Although the "Budget Définitif" for 1868 cannot yet be published, it seems that the Finance Department possesses the means of indicating its general results, and they are, as usual, made to appear as most satisfactory.

The ordinary and extraordinary expenses are stated to have amounted to 76,218,320*l.*, and the revenue to 69,215,840*l.*; leaving a deficit of 7,002,480*l.* In the "Budget Rectifié" a larger deficit had been calculated upon; and the Law of the 1st of August last set apart from the proceeds of the proposed loan the sum of 756,000*l.* to cover it, whereas only 7,344,240*l.* will now be required for this purpose; and thus the Budget for 1867 is made to present a surplus of 341,760*l.*, instead of a deficit of 7,560,000*l.* It is clear that by these means any retrospective Budget which shows a deficit for the financial year can be made to present a surplus by appropriating to it sums raised in any subsequent year.

A considerable difference in the amount of the receipts and expenses of the "Budget Rectifié," as compared with the amount in the present Statement, is observable:—

Budget Rectifié.

	£
Receipts	86,180,770
Expenses	86,179,313

Present Statement.

Receipts	69,215,840
Expenses	76,218,320

No explanation of this is offered.

The Report then deals with the "Budget Rectifié" for

1868 in much the same manner. The total ordinary and extraordinary expenditure is stated to have amounted to 68,876,880*l.*, and the revenue to exactly the same amount. The proceeds of the increased taxes for 1868 were not, it is stated, calculated upon in the estimated Budget; and as the amount which will accrue therefrom is now calculated at 34,000,000 francs increase over 1867, it may be credited with at least 30,000,000. But as such a result was not anticipated, a sum of 6,800,000*l.* was appropriated by the Bill on the loan to cover the cost of its negotiation.

In the proposed Budget for 1868 the revenue is made to amount to 78,171,010*l.*, and the expenditure to 78,178,634*l.* There is thus a difference between the proposed and rectified Budgets of 9,294,130*l.* in the revenue, and 9,301,804*l.* in the expenditure.

Neither is any explanation of this difference offered.

The Budget for 1869 comes next under consideration. The Report states that the estimates for 1869, as compared with the original estimates of 1868, have to meet considerable fresh requirements; but whether by "original estimates" is meant the proposed Budget for 1868 or the rectified one does not appear. The Budget for 1869 comprises:—

1. The sums included in the same estimates of 1868.
2. The supplementary credits contained in the Rectified Budget.
3. The additions required in 1869.

Under these conditions the ordinary and extraordinary expenditure has been fixed at 68,882,548*l.*, and the ways and means at 68,897,796*l.*; showing a surplus of 15,248*l.* It is stated that these estimates have been prepared with such care that the year 1869 will not have rectified Budget. The supplementary credits will not amount to more than 1,120,000*l.*, but an increase in the revenue accruing from the indirect taxes is calculated upon to exactly the same amount, as well as an increase of 200,000*l.* from the direct taxes.

Nothing can be more satisfactory than this statement as it appears in the Ministerial Report, or more reassuring than the assertion which immediately precedes the statement of the ordinary Budget for 1870, that the generality of French Budgets show an increase of revenue over expenditure. The public, however, will judge for itself in these matters.

The ordinary Budget of 1870 is calculated to amount to,—

	£
Revenue	69,466,680
Expenditure	66,002,400
Surplus	3,464,280

But it is very certain, as the Report says, that these estimates will be liable to unforeseen modifications, and, it may be added, such modifications as are almost invariably introduced into all French Budgets.

Great care is taken to explain away the special character of the Extraordinary Budget by attempting to show that it is entirely dependent upon the Ordinary Budget, which, if this really were the case, would at once do away with a division of the revenue and expenditure which causes so much unnecessary complication in dealing with the details of all French financial statements.

As the Budget for 1870 deals with a surplus upon which, according to the Report, it cannot count, I do not think it necessary to produce figures and sums which are not likely to appear again at all in the same form or under the same heading.

L. S. S. W.

TABLE showing the Highest and Lowest Quotation of French Stock during 1868, with difference as compared with 1867.

RENTES.

	Highest.	Lowest.	1867. Highest.	Difference for 1868.
	Fr. c.	Fr. c.	Fr. c.	Fr. c.
French 3 per cents	72 5	68 25	70 75	+ 1 30
Ditto loan, /68 discount	72 55	69 0	..	..
French 4½ per cents	103 0	98 40	101 0	+ 2 0
Ditto 4 per cents	94 0	89 0	90 0	+ 4 0
Italians	58 40	41 70	56 80	+ 1 60
Austrians	73 0	60 0	74 0	— 1 0
Ditto Obligations, 1865	360 0	311 0	345 0	+ 15 0
Roman loan	70 0	57¼	72 0	— 2 0
Egyptian ditto	78 0	69½	..	..
Viceroy, Egypt	397 50	345 0	..	..
Danubian loan	86½	52 0	..	..
Ottoman ditto, 1860	335 0	237 50	295 0	+ 40 0
,, 1863	337 50	233 75	277 50	+ 60 0
,, 1865	342 50	235 0	270 0	+ 72 50
Spanish Exteriors	39½	32 0	39 0	+ ⅛
Mexican 6 per cents	24⅞	13¾	24¼	+ ⅝
Mexican Obligation	155 50	121 25	173 75	— 18 25
Tunisian, 1863	237 50	130 0	380 0	— 142 50
,, 1865	242 50	130 0	372 0	— 130 0
Hungarians	222 0	209 0	..	..
Domain Obligation	245 0	217 50	..	..

OBLIGATIONS.

Treasury	492 50	465 0	480 0	+ 12 50
Crédit Foncier 4 per cent.	525 0	496 25	510 0	+ 15 0
,, 3 ,, ...	520 0	475 0	492 50	+ 27 50
,, 1863, 4 ,, ...	522 50	412 50	503 75	+ 18 75
Communals	427 50	400 0	415 0	+ 12 50
Colonial	495 0	450 0	491 25	+ 3 75
Ditto, New	425 0	395 0	461 25	+ 36 25
City of Paris, 1852	1,260 0	1,200 0	1,220 0	+ 40 0
,, 1855–60	480 0	453 75	475 0	+ 5 0
,, 1865	545 0	525 0	535 0	+ 10 0
Department of Seine	239 0	227 0	235 0	+ 4 0
Lyons fusion 3 per cents	334 50	309 50	319 0	+ 15 50
Orleans	338 0	312 50	320 75	+ 17 25
North	350 0	312 50	325 50	+ 24 50
East	336 0	307 50	319 50	+ 16 50
West	335 0	307 0	318 25	+ 16 75
South	331 0	307 50	318 0	+ 13 0
Lombards	229 0	201 0	230 0	— 1 0
Saragoza	163 0	127 50	172 50	— 9 50

RAILWAYS.

Lyons	995 0	866 25	943 75	+ 51 25
Orleans	925 0	855 0	940 0	— 15 0
North	1,227 50	1,146 25	1,235 0	— 7 50
East	581 25	530 0	556 25	+ 25 0
West	587 50	543 75	598 75	— 11 25
South	645 0	530 0	590 0	+ 55 0
Charantes	437 50	330 0	382 50	+ 55 0
Roman	70 0	35 0	101 25	— 31 25

RAILWAYS—*continued.*

	Highest.	Lowest.	1867. Highest.	Difference for 1868.
	Fr. c.	Fr. c.	Fr. c.	Fr. c.
Roman, privileged	210 0	65 0	215 0	— 5 0
Lombards	431 25	335 0	420 0	+ 11 25
Austrians	668 75	495 0	521 25	+ 147 50
Saragoza	102 50	63 0	142 50	— 40 0
North Spanish	92 0	50 0	125 0	— 33 0
Barcelona	52 0	32 0	65 0	— 13 0
Portuguese	60 0	30 0	125 0	— 65 0
Sardinian	70 0	32 50	100 0	— 30 0
BANKS.				
Bank of France..	3,300 0	2,990 0	3,605 0	— 305 0
Crédit Foncier	1,550 0	1,337 50	1,540 0	+ 10 0
Crédit Agricole	660 0	600 0	650 0	+ 10 0
Crédit Foncier, Colonies	518 75	400 0	620 0	— 101 25
Crédit Mobilier..	330 0	160 0	532 50	— 202 50
Crédit Industrial and Commerce ..	670 0	620 0	655 0	+ 15 0
Crédit Lyons	510 0	435 0	..	..
S. Algerian	500 0	472 50	502 50	— 2 50
S. General	613 75	502 50	575 0	+ 38 75
Comptoir discount, Paris	752 50	637 50	865 0	— 112 50
Bank deposits	560 0	530 0	560 0	..
Contract bank	147 50	120 0	198 75	— 51 25
Crédit Foncier, Austria	755 0	620 0	675 0	+ 80 0
Crédit Mobilier, Spanish	338 75	176 25	317 50	+ 21 25
Ottoman Bank	545 0	458 75	495 0	+ 50 0
Dutch Bank	530 0	472 50	500 0	+ 30 0
COMPANIES.				
Omnibus Company	975 0	780 0	1,100 0	— 125 0
Messageries Impériales	805 0	720 0	780 0	+ 25 0
Carriage Company	290 0	192 50	326 25	— 36 25

REPORTS

BY

HER MAJESTY'S SECRETARIES

OF

EMBASSY AND LEGATION,

ON THE

MANUFACTURES, COMMERCE, &c.,

OF THE

COUNTRIES IN WHICH THEY RESIDE.

Presented to both Houses of Parliament by Command of Her Majesty.
June 1869.

LONDON:
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1869.

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Netherlands.

Concise Report by Mr. Thurlow, Second Secretary to Her Majesty's Legation at the Hague, on the Finances, Commerce, &c., of the Netherlands.

The Hague, January 7, 1869.

The Budget Estimates for the Netherlands financial year, beginning January 1, 1869, were presented to the Second Chamber of the States-General by M. van Bosse, Minister of Finance, and head of the Liberal Cabinet that has been in office since June 3, on the 26th of September, 1868, and present the following main features:—

EXPENDITURE.

Chapter.	Estimate for 1869.	Voted in 1868.	Accounts of 1867.
	Florins.	Florins.	Florins.
1. Royal Household	750,000	750,000	750,000
2. Superior Departments of State.	591,054	595,752	579,073
3. Foreign Department ..	525,094	522,317	510,175
4. A. Department of Justice ..	3,106,459	3,131,324	3,436,996
4. B. Roman Catholic Worship..	689,357	685,676	677,498
5. Department of the Interior ..	21,106,786	23,339,261	23,008,039
6. Department of Marine ..	9,383,562	10,124,431	14,470,336
7. A. National Debt	28,073,638	28,029,669	27,537,504
7. B. Department of Finance ..	14,033,285	13,932,576	13,678,888
7. C. Protestant Worship ..	1,758,428	1,754,677	1,729,013
8. Department of War ..	14,659,000	14,733,713	13,845,892
9. Department of Colonies ..	2,000,360	2,016,431	11,864,432
10. Unforeseen Expenses ..	50,000	50,000	27,768
Total	96,727,023	99,665,827	112,115,614
Equivalent in £ sterling..	8,060,585	8,305,485	9,342,967

The figures representing the expenditure of the Kingdom of the Netherlands for 1867-68-69, thus exhibit a marked and continued progress in economy.

The several chapters into which the estimates for the current year are divided, admit of the following brief analysis:—

Chapter I—Is divided under three heads.

	Florins.	Equal to £
1. Income of the King	600,000	50,000
2. „ Prince of Orange ..	100,000	8,333
3. Keeping up of Royal Palaces ..	50,000	4,166
Total	750,000	62,499

Chapter II—Provides 18,000 florins, or 1,500*l.*, for travelling and other expenses of the First Chamber of the States-General, consisting of thirty-nine members; 150,000 florins, or 12,500*l.* as indemnity to members of the Second Chamber, now seventy-five in number (the number being fixed by the Constitution with reference to the population, one member for every 45,000 souls). Further, 2,400 florins, or 200*l.*, for travelling expenses of members of the Second Chamber.

Chapter III—Provides for the following new appointments and alterations of rank in the Netherlands Consular Service:—

Europe.

Denmark.—The Vice-Consulate at Vordinborg is transferred to the island of Moen.

France.—A Consulate is established at Mulhouse.

The Vice-Consulates at Croisie, La Nouvelle, Morlaix, and Guimper are withdrawn.

England.—The Vice-Consulate at Sunderland is raised to a Consulate.

Prussia.—The Consulate-General at Berlin is withdrawn.

Turkey.—A Vice-Consulate is established at Varna.

Asia.

China.—A Vice-Consulate is established at Newchwang.

Japan.—Consulates are established at Hiogo and Osaca.

Persia.—A Consulate is established at Bender-Bushire.

Africa.

Tunis.—The Consulate at Tunis is raised to a Consulate-General.

Algeria.—A Vice-Consulate is established at Philippeville.

America.

Guatemala. — The Consulate-General for Central America is withdrawn.

St. Christopher.—A Consulate is established at St. Kitto.

Australia.

Tasmania.—A Consulate is established at Hobartstown.

New Zealand. — A Vice-Consulate is established at Dunedin.

Chapter IV—Provides for the salary of the Minister of Justice, who receives the same amount as the other members of the Cabinet, viz., 12,000 florins, or 1,000*l.*

Chapter V—Provides 6,000,000 florins or 500,000*l.* in support of the Waterstaat; 10,000,000 florins, or 833,333*l.* for extension of railways; and 1,821,967 florins, or 151,830*l.* for education.

Chapter VI—Provides for the building, at Amsterdam, of an additional ram-ship and two monitors. The iron-clad navy of the Netherlands will then consist of five rams and five monitors. Provision is further made for the completion of two first-class screw steam-frigates now on the stocks, and for the laying down of an iron-clad river floating battery on the pattern of those in use in the Brazilian navy, with a draught of water not exceeding 4 to 5 feet.

Chapter VII.—27,577,140 florins, or 2,298,095*l.* are provided for the payment of dividends on the Netherlands national debt. Of this debt, a capital of 653,143,702 florins, or 54,428,641*l.* bears interest at $2\frac{1}{2}$ per cent. The greater part of the remainder bears interest at 4 per cent. 496,500 florins, or 41,375*l.* is further set apart for amortization.

Chapter VIII—Provides for continuing the conversion of muzzle into breach-loaders, on the Snider pattern. 72,000 of these conversions have been effected, and give complete satisfaction; and 5,000,000 cartridge-cases will be ready for use by August next. It has been decided to obtain heavy artillery by purchase from foreign private firms; and contracts have been entered into with a French manufactory which supplies the Imperial artillery, for the delivery during 1869 of nine breech-loading 24-inch guns,

such as are now in favour in France, and for an abundant supply of suitable ammunition.

Chapter IX.—The reason why the figures under this head are so small, is that the finances of the Dutch East Indies are kept distinct, and that the annual deficits in the accounts of Curaçoa, Surinam, the coast of Guinea, and other Dutch colonial possessions, are made up from the surplus on East Indian transactions, before the balance is placed to the credit of the mother country.

Chapter X.—This head is invariably the same. The accounts for 1867 show an economy on the estimates under it of 22,232 florins, or 1,852*l*.

The estimated receipts, or ways and means for 1869, are as follows :—

	Florins.
Land tax	10,069,248
Assessed taxes, personal	7,944,000
„ licenses	3,225,600
Excise	25,230,000
Indirect taxes	14,076,000
Imports and exports	4,380,764
Gold and silver plate dues	251,300
Public domains	1,280,000
Post Office	2,450,000
Telegraph	553,500
Government lotteries	410,000
Shooting and fishing licenses	110,000
Pilotage	750,000
Mining dues	943
Railways	320,000
Miscellaneous	1,881,920
Payments from Belgium	400,000
Colonial surplus, 1869	15,618,358
Japanese indemnity	50,000
Surplus, 1867	4,360,000
Further Colonial surplus, 1867	3,475,000
Total	96,836,633
Equivalent in sterling to ..	£8,069,719.

The items under the heading "Colonial Surplus" represent the excess of the income of Netherlands India over the expenditure to which that income is by law liable. In other words, the greater portion of the Netherlands India income being collected in Holland, in the shape of colonial produce sales, regular specie remittances are necessary to meet the administrative deficit thus produced; and the balance left in the Netherlands Exchequer after making these remittances, and after payment of all

other colonial demands, is styled the "Colonial Surplus on the crop of such or such a year." In the present case, the "Colonial Surplus, 1869," results from the following estimated crops, as given in the Netherlands India Budget for the ensuing year.

Products.	Where Sold.	Quantity in Piculs.	Estimated Price.	Value, deducting Sales' expenses.
				Florins.
Coffee	Holland ..	800,000	40 cents per lb. ..	37,544,805
,, ...	Java ..	50,000	40 florins the picul ..	2,000,000
,, ...	,, ..	4,000	Inferior at 15 florins..	60,000
,, ...	Sumatra ..	134,000	41 florins the picul ..	5,494,000
,, ...	,, ..	6,000	Inferior at 15 florins..	90,000
Sugar	Holland ..	700,000	34 florins the 200 lbs.	13,009,276
,, ...	Java ..	300,000	15 florins the picul ..	4,500,000
Nutmegs	Holland ..	2,000	80 cents per lb. ..	182,433
Mace	,, ..	900	1 florin per lb. ..	100,879
Cloves	,, ..	1,000	25 cents per lb. ..	28,505
Tin (Banca).. ..	,, ..	80,000	55 florins per 100 lbs.	5,322,466
,, (Billiton, royalty paid in kind)	,, ..	900	Price not given ..	59,878

Recapitulation.

	Total.	Producing.
	Piculs.	Florins.
Coffee	994,000	45,188,805
Sugar	1,000,000	17,509,276
Spice	3,900	311,817
Tin	80,900	5,382,344
Total	2,078,800	68,392,242

The Netherlands India accounts for 1869 are thus as follows :—

Part.		Florins.
1.	Expenditure in Netherlands	18,471,759
1.	,, India	84,943,947
	Total Expenditure	103,415,666
3.	Receipts in Netherlands { 99 per cent. produce sales / 1 per cent. repayments }	56,865,410
4.	,, India .. { 80 per cent. taxation / 20 per cent. produce sales }	62,168,614
	Total Receipts	119,034,024
	Deduct Total Expenditure	103,415,666
	Balance on Colonial Surplus for 1869 ..	15,618,358

The accounts of each year are not finally adjusted for five or six years, so that every Dutch Budget contains

items of supplementary receipts or expenditure for the services of former years; but as it has until now been the habit to frame the estimates with great moderation, the supplementary figures almost invariably appear, as they do in the present instance, on the credit side of the national accounts. The debate which occurred in the Second Chamber of the States-General when the preceding estimates were under consideration, brought to light, however the incontestable fact that this year, for the first time in the financial history of the Netherlands, every colonial item has been estimated at the highest possible figure, with a view no doubt to arriving at an exact equipoise on paper of income and expenditure. How far this desirable result may in reality be obtained, depends upon so many uncertain causes, the incidents of temperature and rainfall at the antipodes (not only in Java but in other producing countries such as Brazil, Ceylon, &c.), a possible reaction to high prices, or, on the other hand, a continued fall, that it is deemed rash to estimate every crop at a maximum; and in the present instance, therefore, it is generally held by the more sagacious men of all shades of opinion, that it will prove necessary in the course of the ensuing year, to bring a loan to cover the whole or at least a part of the expenditure of 10,000,000 florins voted towards the completion of the Netherlands railway system.

The following are a few of the main grounds on which this *pessimus* view is founded:—

1. The Government coffee crop for 1869 is put at 994,000 piculs. Now the harvest for 1868 is estimated at 595,000 piculs, but will probably not attain that figure. Making every allowance for a good year generally succeeding a bad one (and 1868 does not rank among the very bad years) this quantity is deemed excessively estimated.

2. The price reckoned on for sales of coffee in Holland is 40 cents the pound, the actual price is 33 cents the pound, and the tendency of late years has been towards a constant decline in the price of coffee, notwithstanding largely increased consumption, while as yet there certainly exist no visible signs of a return to higher prices. It must be remembered that 1 cent in the pound of Government coffee represents 1,000,000 florins to the Exchequer.

3. The coffee to be sold in Netherlands India is reckoned at 40 and 41 florins the picul. The actual price is 30 florins.

4. The expenditure of Netherlands India, which shows a constant and hitherto ungovernable tendency to increase, and has doubled itself in the last twenty years, is estimated for 1869 at 5,000,000 florins under the estimate for the service of 1868; that is to say, as nearly as may be, as much less as the figures of 1868 are more than those for 1867. This going back in expenditure at a time when every day fresh demands are being made on the Netherlands India Government for the construction of railways and other public works in Java, cannot be regarded as a certainty or even probability until accomplished.

Supposing, therefore, the expenditure of Netherlands India to increase only at its normal rate, a deficiency of 10,000,000 florins in the accounts as at present balanced with the mother-country, would occur, and it is highly probable that this cause, working to a greater or less extent, and a failure to obtain in every instance the prices calculated upon for colonial produce, will divert at least a portion of the colonial service of 15,618,358 florins reckoned on in the national receipts of the Netherlands for the service of 1869; thus rendering necessary the resort to loans above referred to.

It should be mentioned, with reference to East Indian finance, that by far the most important commercial movement that has occurred in Holland during 1868 has been the agitation by the Amsterdam, Rotterdam, Leyden, and other Chambers of Commerce for a fundamental change in what is known as the consignation system. The question at issue is the consignation home for sale of the Government colonial produce, and the consignation to Java of specie to meet the administrative deficit produced by the fact of nearly half the Netherlands India revenue being raised in Holland in the shape of produce sales. This question embraces a great variety of important trade considerations, the principal points of which are explained in the addresses of the Amsterdam and Rotterdam Chambers of Commerce to the Minister of the Colonies on the subject. As these documents have not yet, it is believed, been made public in England, and as the questions they touch are questions nearly concerning British commercial interests in the East (where the Dutch do not seem to dread competition in the carrying of the Government colonial produce), extenso translations are here given.

Address of the Amsterdam Chamber of Commerce and Manufactures to his Excellency the Minister of the Colonies.

"*Amsterdam, May* 9, 1868.

"Your Excellency,

"We have lately reconsidered the manner in which Government supplies the specie deficiency annually occurring in the administration of Netherlands India; and we have the honour to acquaint your Excellency with the result at which we have arrived.

"Our attention was first directed to this question by the letter of your Excellency's predecessor of the 23rd September, 1862. We, in reply, communicated our views on 1st November, 1862, and specially referred to the three ways in which this specie deficiency can be met, viz., sale of produce in India, transmission of specie, and the drawing of bills.

"When one inquires into the cause and origin of this Netherlands India specie deficit, it naturally occurs to one that the first of these is the rational remedy. This specie deficiency is a result of the growth or purchase in Netherlands India, and the transmission to the Netherlands for sale of the greater part of the produce of the Government colonial cultures. Of the moneys thus received in the mother-country for sales of produce, a considerable portion has to be remitted to Netherlands India to meet the financial requirements of the Colonial administration.

"If it was feared in 1862 that increased produce sales in Java would react unfavourably on our trade to and from Java, the experience of the last few years has sufficiently shown how groundless was this fear. The prices bid for produce in the Java markets continue high, sometimes even higher than the prices reached at home, and give reason for the belief that the trade there, as here, is in a position to receive, and dispose of with advantage, considerably larger quantities of produce.

"The time would thus seem to be come for Government to give some extension to the sale of produce in Java. If it should determine on gradually bringing this about, the trade of this country will be ready to meet the decision and to provide the requisite capital. Sudden changes or shocks can only be deemed detrimental to trade. On this account it is doubly incumbent on the Government of the Netherlands to be cautious, considering in how many ways it is directly interested in Netherlands

Indian commerce. It may rest assured of the fact that in proportion as the Government comes little forward as a trader, even so and in the same proportion the trading spirit of a nation is incited, and the purely healthy condition in which alone trade can truly flourish is brought about.

"We are of opinion that we can confidently recommend further extension of the produce sales in Netherlands India itself. If this extension were made *facultatif*, and not imperative; if, for example, the quantity to be sold each year were fixed by the Government in Netherlands India in concert with the Minister for the Colonies, and then some liberty were left to the Government to act according to circumstances, sufficient precaution would be taken against shocks to commerce, and no dangers could arise.

"Already the sale of Government colonial produce in Netherlands India has acted towards the reduction of the specie deficiency, and it has consequently become necessary to export less specie to Java. From 1845 to 1861 inclusive (according to the official statement made by the Minister for the Colonies on September 23, 1862), and from that date to 1864 (according to the annual Reports of the Java Bank and of the Chamber of Commerce and Industry at Batavia) an annual average of 14,000,000 florins in silver was exported to Netherlands India: for the two following years the export of silver only amounted to 10,000,000 florins. It is true that the decrease thus shown stretches over but a short period, and may perhaps not prove an index to the future; still the decrease is so considerable that it may be adduced as proof that the sale of produce in Netherlands India has tended towards a decreased export of specie to Java. By further extension of produce sales in Netherlands India, the necessity for exporting silver must decrease still more, and, finally, become limited to whole and half guldens and small change. The statistics of the export of silver to Netherlands India show how inconsiderable the export of guldens is as compared with that of rix-thalers, and thus show that for the future in exporting silver preference should be given to guldens.

"In this way the outflowing of silver would be, if not entirely stopped, at any rate much diminished; and the 'arbitrage' which has of later years so much augmented,

owing to the establishment of various banks and credit Companies, would become difficult. The trade with Java would sustain no injury thereby, and the internal commerce would derive great benefit, since the whole and half-guldens and small change would be useful for payment of wages, &c.

"The Government would then make over to private hands the care of supplying specie with reference and regard to the existing exchanges.

"The actual specie remittances hardly give to the State even an imaginary advantage, for it under estimates the cost, and takes no account of interest, of insurance, or even of the transport, which takes place in Government ships; on the other hand, they bring about a wholly unnatural condition of exchanges, promote the outflow of money, and necessitate much larger specie remittances than Java stands in need of. Between 1853 and 1864 inclusive, Java imported 201,222,000 florins in silver, and exported 115,159,000 florins in silver. Of this, 170,429,000 florins were imported into Java by Government. This excessive import of specie has for one of its results that silver usually stands at a lower value in Java than in British India, China, &c., and the exchanges in Java are higher than in the neighbouring places of trade. Trade, therefore, draws its bills on Java at a higher purchase price, sends the specie there obtained for them to neighbouring places where silver has more value, and buys there bills on Europe.

"To stop the constant drain of silver from the Netherlands to Java, the exchanges in Java must be reduced to a nearer equality with those of neighbouring places of trade, which would be a necessary consequence of a decrease in the specie arrivals. It does not lie in the power of the Government to exercise the same direct influence on the exchanges as on the import of specie or the sale of produce. By the issue in Java of bills on Europe, Government comes forward as a trader and places itself in competition with trade as it exists in every market of the world. The Government of the mother-country cannot, therefore, give such positive prescriptions to the Indian Administratian on this point as it has it in its power to give by taking into consideration the other two ways of covering the Netherlands India administrative deficit. Whenever, with the lapse of time, the results of

the adoption of these other two means shall be reaped, then also the way will be indicated which Government should follow in the issue of public bills of exchange. Formerly, the Netherlands India exchanges were entirely dependent on the transposition of trading goods (produce and manufactures), and purchase or sale settled the question of demand for, or offer of, paper. In latter years a great change has come over this, and a lively "arbitrage" has arisen in the exchanges. The prices are more liable to fluctuations, which the Government, although their cause, must follow.

"We believe that if, in the lapse of time, whenever the results of increased sales may manifest themselves, it should prove necessary to issue Government bills in Netherlands India on Holland,—or that, even if now in expectation thereof, the Government in Netherlands India should offer bills to the public at the market rate of exchange—those bills would survive public competition. The Netherlands India Government must be left free to act according to circumstances as to what concerns the minimum of exchange rate, and the amount of bills to be issued, without being hampered by too strict instructions from the Government in the Netherlands. In this way we shall attain a normal course of exchanges, and our Indian trade will stand on a natural footing in this regard.

"We have endeavoured, by a complete explanation of motives, to convince your Excellency of the necessity of a fundamental change in the manner by which the administrative deficit of Netherlands Indian accounts is now provided for; and having thus explained to your Excellency our views thereupon, we take the liberty to solicit of your Excellency:—

"1. Gradual further extension of the produce sales in Netherlands India.

"2. To order that the bills of exchange issued by the Government of Netherlands India, after preliminary public announcement, shall be offered to the public according to the needs of the Administration; and that,

"3. As a result of the two former measures, the remissions of specie shall be limited to the necessary whole and half guldens and small change.

"The Chamber of Commerce and Manufactures at Amsterdam,

(Signed) "C. A. VON HEMERT, *Vice-President.*

"N. J. DEN TEX, *Secretary.*"

The Address of the Rotterdam Chamber now follows :—

"*Rotterdam May* 11, 1868.

"To his Excellency the Minister for the Colonies.

"Your Excellency,

"This Chamber has received a letter from the Amsterdam Chamber, communicating the advice which this latter was desirous of giving, as to the manner of supplying the Netherlands India administrative deficit (which is actually met by the transmission of specie and the drawing of bills on the Colonial Office) by a gradual extension of the sales of Government produce in the Colony itself.

"It seems to us that the advisability of the measures proposed must not be estimated entirely, nor even principally, with an eye to covering the East Indian Administrative deficit; although we admit that the existence of this deficit (which a constantly increasing expenditure tends to augment), is an additional argument in favour of increased sales in Netherlands India as a ready means of covering the deficit, and therefore worthy of earnest consideration from this point of view.

"We are of opinion that, *in the first place*, the measure should be examined in its relation to the requirements of Dutch trade, and that it should be introduced only if it should recommend itself on such examination; since sale of produce in Netherlands India cannot fail to be advantageous to the Government, which would thus be relieved of the losses it annually sustains in the export of specie. If, on the other hand, increased produce sales in Netherlands India were a considerable injury to our trade, it could in that case hardly be expected that, purely for the purpose of effecting a saving to the Exchequer, such a change should be made.

"Another important consideration regarding the Exchequer, which we cannot accept, is as follows :—

"It is said that, especially in coffee, the prices obtained in Europe will never be attained in Netherlands India; yet the experience of late years would appear to point to the exact contrary, as the Indian prices range very high; this, however, proves little, as it is generally known that the greater part of these speculations on the part of Indian houses or home importers entailed heavy losses on the principals—but this again is a condition that cannot last.

It thus appears to us that, as the cost of transport of produce cannot amount to much more than is the case with private individuals, there is *à priori* not much to be said as to whether the sale of produce in Netherlands India acts favourably or injuriously on the Exchequer, and that this must continue dependent on the scale of prices at the different markets.

"Now as to what concerns the interests of trade, it is known that the consignation of produce has no end in view but that of fixing in Holland the market for colonial produce. It held together with, and formed a part of, the former system of protection which characterized our intercourse with the Colonies in all branches of trade, navigation, ship-building, and manufactures, having for its exclusive object their *exploitation* for the benefit of the mother-country.

"It would not now be a very practical question to inquire whether this system of exaggerated protection was necessary at a time when commerce and industry were in a pining condition, and the spirit of the nation was dormant. Certain it is that it did largely contribute to the development of our commercial intercourse with Java; but it is equally certain that, owing to it, our trade, navigation, and industry became exclusively directed towards Java, while the trade of our neighbours developed itself on all sides.

"In great part that system has now been gradually abandoned—with regard to navigation almost entirely—and the results cannot be disowned as having been increased zeal and exertion on the part of our shipowners to compensate themselves by gain in other quarters for the protection that they lost. Our industry, bred entirely by protection at the commencement, has, in measure as this protection diminished, powerfully developed itself; our Transatlantic commerce alone is now inconsiderable as compared with the extent of its interest, and with the progress of our neighbours.

"The number of our houses engaged in direct Transatlantic trade is extremely small, and the greater amount of Transatlantic goods imported by Holland continues to be on account of the Government, while a large proportion of our dealers content themselves with buying at the periodical sales and plying a retail business.

"We willingly admit that during the last few years

some further symptoms of life have shown themselves; but still, beyond the limits of our own Colonies the extent over which Dutch commerce spreads is very small.

"Meantime, we have at home capital and working power enough to assert themselves elsewhere than in our own Colonies; but it lies in the nature of things, that so long as Government, by its colonial system, assured considerable, and above all certain, gains to small exertions, these gathered round the fountain of their fortunes; and these conditions did not cease, when by the force of circumstances and extended competition the gains to be derived from that field become lessened.

"It is therefore, according to our judgment, high time for *the State to cease to be the principal house directly engaged in trade*, and for the trade itself to undertake the import of colonial wares.

"From this point of view we desire above all things to see the consignation of Government colonial produce gradually diminish, so that in time, if experience should warrant the adoption of such a course, the total abandonment of the consignation system should become matter for mature consideration.

"If more produce were sold in Java, the houses that now supply their wants almost exclusively at the auctions of the Netherlands Trading Company, would themselves turn their eyes to the lands of production; or else others would establish themselves, and extend their operations in order to undertake the business from which Government was gradually withdrawing; a healthy condition of affairs would thus arise for the benefit of all concerned.

"The result of this would be, that whenever the trade of our Colonies should fall more than now into the hands of private individuals, and trade should become more accustomed than now to stand alone in this region, an element would develop itself possessed of will, ability, and habit to use its powers on foreign soil.

"We deem these to be the true arguments which deserve to be heard, so as to bring about a departure from the present system of the Government supplying the Dutch market with colonial produce, and the confiding of this duty to trade.

"All that is advanced to the contrary appears to us to carry but little conviction or satisfaction.

"It is feared that if Government sells its coffee and

sugar in Java, only a portion,—perhaps only a small portion,—will come to Holland.

"Under the Government of King William I, some reason indeed existed for this fear; the Netherlands, long shut off from all navigation and connection with distant lands, had become a stranger to maritime commerce, and only began again, under high protection, to acquire a commercial fleet, with the disadvantage that, after separation from Belgium, she had no longer any home-manufactured cotton goods to export to Java. Under these circumstances, it was then probable that England or some other foreign Power might make itself master of the trade with Java; and hence the intercourse with the mother-country was placed under powerful protection, including compulsory consignation to Holland of the principal colonial productions.

"With the lapse of thirty years much of all this has happily changed. Shipping opportunities between Holland and Java have become much more frequent and cheap than between that Colony and any other country; manufacturing industry has developed itself powerfully in our country; such intimate relations now exist between the Netherlands and the Colonies that the Netherlands enjoy there a great natural vantage over any other competing people; there exist still, though less than formerly, differential duties in our favour: above all, Java is for our young generation, that seeks an existence, the self-indicated outlet, of which much more use is made than formerly, and where an immeasurable field for capital and labour still lies open to development whenever our industry may be admitted on possible conditions. If, under circumstances so favourable to us, the Java trade should for the greater part fall into foreign hands, unless Government imports the principal produce, then indeed our trade and whole people would afford an example of commercial impotency—a supposition that is not as yet deserved, as the experience of recent years has proved.

"At any rate, by far the greater part of the non-consigned colonial produce—the sugar and coffee grown by private individuals, and such of both these articles as is now sold by Government in the Netherlands East Indies—the tobacco, indigo, Billiton tin, and many other articles produced by private enterprise—the greater part of all these find their way, some without, and some with, high

differential export duties, to our Dutch markets; and why should this not also happen with gradually increased Government sales.

"That from time to time some of the coffee and sugar now consigned to Holland would, under certain circumstances, acquire a different destination, is very natural, and to be foreseen; but that the large majority would, as a rule, come to Dutch markets, can with confidence be anticipated, as it lies in the nature of the thing, and is backed by the experience of late years.

"But suppose more colonial produce than this Chamber on good grounds believes did find its way elsewhere, we should not deem the injury too dearly bought if thereby the natural condition of trade became re-established; if trade at last became emancipated from the leading-strings by which it has been so long confined; if our much too small Transatlantic import trade acquired extension, strength, and new life, developed these powers on foreign colonial soil, and learnt from others the value of competition, as yet too little known amongst ourselves.

"This Chamber cannot find a single reason why our harbours should not, like those of Hamburg and Bremen, and to a greater extent than now, become the natural outlets for Germany, so rich in industry, that lies behind us; and the natural road for supplying the wants of that country. It is only this exclusive view of our Colonies that has hitherto stood in our way.

"These are the views which lead our Chamber to endorse with warmth and conviction the idea thrown out by the Amsterdam Chamber, that of gradual increased sales of Government produce in Netherlands India.

"The Chamber of Commerce and Manufactures at Rotterdam.

(Signed) "F. J. PLATE, *President.*
"J. C. REEPMAKER, *Secretary.*"

Such being the views of the leading Chambers of Commerce in this country, the following Comparative Table of the general import trade of Hamburg and the Netherlands will not be without interest:—

Years.	Netherlands.	Hamburg.
	Per cent.	Per cent.
1846–50	100	100
1851–55	124	154
1856–60	157	205
1861	176	208
1862	167	217
1863	166	250
1864	178	262

Here it is seen that, starting on an equal footing in 1846-50, the import trade of the Netherlands had increased in 1864 by 78 per cent., while that of Hamburg had increased by 162 per cent. These figures are sufficiently suggestive to the minds of Dutch political economists to make them cry with indignation:—How is it that the Netherlands have not got a rice and tobacco market like that of Bremen, or a market of Rio coffee like that of Hamburg, or a market of wool and hides like that of Antwerp? Why has the trade of Hamburg, which possesses no Colonies, increased at more than double our own rate, and now exceed that of the whole of Holland? Are our harbours less favourably situated for intercourse with Central Europe? Do we fail for want of capital and merchants? Is our mercantile fleet so inconsiderable,—our railway system not well designed? To none of these questions can decided answers be given; but it is clear that unless some of them can be answered in the affirmative, and this is very doubtful, the consignation and protection system has much to answer for in the state of things to which, commercially, this country has now come.

The following Table of the total imports of the Netherlands Trading Company (a monopoly which, besides being intrusted with the carrying trade of the Government colonial produce, *i.e.*, 75 per cent. of the total coffee, and 50 per cent. of the total sugar imported into Holland, does a very large business on its own account), for the decade ending December 31, 1867, is also instructive from this point of view. It must not, however, be read as necessarily an index of decreased colonial production; since the yearly increasing sales in the Colonies themselves, trifling as they still are when compared with the quantities consigned to Holland, must yet be taken into account. The real bearing, however, that this Table has on the present question,

the consignation system, is that from it appears that, either owing to the increase in produce sales in Netherlands India, or from some other cause, the importations of colonial produce into Holland effected by the greatest importers, the Netherlands Trading Company, have decreased within ten years by 17,000,000 florins or 1,416,666*l.* on the total annual value.

Years.	Coffee.	Sugar.	Indigo and Cochineal.	Tin.	Spices.	Various Articles.
	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.
1858	45,150,949	24,075,928	3,153,606	7,945,303	1,112,546	7,692,352
1859	46,290,232	19,521,193	3,477,657	6,970,247	962,916	9,050,208
1860	42,144,973	19,368,717	3,554,145	7,375,205	962,052	8,810,776
1861	41,372,465	17,654,509	3,330,926	6,306,624	1,027,914	11,121,157
1862	50,336,394	17,513,838	2,421,786	6,549,196	908,716	8,486,213
1863	45,489,756	18,540,003	2,178,662	5,733,457	752,340	5,433,681
1864	43,411,862	22,218,011	1,625,025	5,736,294	749,835	6,822,425
1865	45,821,819	18,868,963	3,071,571	5,928,661	1,023,552	8,059,404
1866	44,810,326	19,119,980	2,569,080	6,882,087	992,219	5,430,246
1867	45,203,837	16,834,963	1,590,460	4,896,612	437,770	3,026,702

RECAPITULATION.

Years.	Total Imports.	Years.	Total Imports.
	Florins.		Florins.
1858	89,130,684	1863	78,127,899
1859	86,272,453	1864	80,563,452
1860	82,215,868	1865	82,773,970
1861	80,813,605	1866	79,803,938
1862	86,216,143	1867	71,990,344

Notwithstanding the arguments advanced by the Dutch Chambers of Commerce to the contrary, it would therefore seem that grounds do certainly exist for warranting the not very unnatural belief, that with increase in produce sales in Netherlands India the importations of colonial produce into Holland will fall off. The question then arises, what direction will this produce take when its consignation to the Netherlands has ceased, as sooner or later most infallibly it must? In the first place, a considerable and constantly increasing quantity will, it is believed, find its way to the Australian group of Colonies: and it is argued by the party now gaining numbers in the Netherlands, who place the welfare of the Colonies first on the list of considerations to be guided by our colonial matters, that the spontaneous, healthy, inter-colonial trade that would thus spring up, and connect the islands of the far Eastern Seas, though it indubitably would prove detrimental to the monopolists, would not less surely react favourably on the maritime and commercial spirit of the nation, and tend to revive the days when the carrying of the produce of the Eastern World was more in the hands of bold Dutch skippers than at the present time.

The following Tables, extracted from the number of the Dutch "Economist" for December 1868, contain the most recent and complete statistics yet published of the Netherlands export to their Eastern possessions of cotton and linen manufactured goods; showing the proportions of home and foreign manufacture, and the respective shares taken in the export trade by the Netherlands Trading Company and private enterprise:—

RETURNS of the Principal Cotton and Woollen Manufactures imported from Holland into Netherlands India during the First Six Months of 1868, compared with Returns for the Corresponding Months of 1867.

		1868.				1867.			
		Netherlands Manufacture.		Foreign Manufacture.		Netherlands Manufacture.		Foreign Manufacture.	
		Quantity.	Value	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Florins.		Florins.		Florins.		Florins.
Maddapollams and bleached cottons	Pieces ..	287,723	1,030,236	24,139	75,322	285,538	1,645,764	41,493	197,832
Calicos and unbleached cottons ..	,, ..	204,594	780,537	40,061	130,614	151,487	840,775	68,035	449,137
Shirtings	,, ..	97,736	564,292	86,980	666,149	96,157	871,947	101,088	916,131
Long cloths	,, ..	200	1,150	417	2,828	100	1,300	455	7,085
Elefantes	,, ..	350	1,263	7,219	32,574	200	1,250	10,439	73,166
Cambrics	,, ..	75,855	196,742	347,203	1,087,820	33,990	122,813	288,919	1,157,712
Drillings	,, ..	119,186	658,710	4,436	26,814	77,231	526,646	5,602	58,145
Twills	,, ..	1,697	10,241	502	2,685	750	5,835	64	901
Jaconets	Yards ..	6,000	1,800	158,161	30,035	..	..	265,488	65,868
Muslins	Pieces ..	..	..	15,234	30,038	..	..	18,135	35,673
Brilliants	,, ..	..	..	2,528	11,352	..	..	2,645	16,968
Dimities	,, ..	1,470	6,177	406	1,793	1,243	7,067	..	..
Jeans	,, ..	873	5,212	50	312	..	..	20	180
Satteens	,, ..	479	5,639	1,564	21,466	199	2,993	970	13,313
Linen table napkins	,, ..	563	4,046	136	953	416	2,279	631	1,042
Diaper	,, ..	818	4,045	..	..	1,541	9,369	50	293
Cotton blankets	,, ..	44,835	46,212	8,919	9,165	17,585	18,414	5,442	6,050
Yarns	Piculs ..	1,479	477,032	2,234	268,792	998	205,295	2,238	276,614
Coffee sacks	Pieces ..	202,400	68,590	226,175	49,129	75,073	33,751	20,990	11,187
Printed cottons (chintzes and prints)	,, ..	35,481	119,713	237,496	811,002	20,008	102,759	283,942	1,445,173
Salemporis	,, ..	690	3,267	1,098	3,527	2,099	15,696	220	1,593
Coloured cottons	,, ..	100	275	6,772	20,000	3,380	26,898	12,151	60,480
Adrianople red cottons	,, ..	20,780	144,447	19,688	149,003	25,774	204,022	25,508	164,133
Nicanias	,, ..	500	1,534	100	300	1,098	3,825	..	..
Bed-ticking in stripes	, ..	150	798	2,935	10,759	162	1,008	3,633	21,818

		1868.				1867.			
		Netherlands Manufacture.		Foreign Manufacture.		Netherlands Manufacture.		Foreign Manufacture.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Florins.		Florins.		Florins.		Florins.
Cotonetten	Pieces ..	770	4,037	5,907	22,167	4,926	27,768	6,971	37,091
Ginghams	,, ..	653	2,630	10,426	29,323	620	5,576	19,980	59,676
Cottons, wool and cotton stuff ..	,, ..	..	..	47,217	22,551	..	..	87,345	47,773
Sarongs, woven	Corges ..	711	17,054	4,199	72,380	3,077	60,469	4,118	81,623
,, printed	,, ..	4,560	52,081	8,603	72,939	5,439	99,149	10,902	132,428
Slendangs, woven	,, ..	..	..	..	..	..	..	423	6,175
,, printed	,, ..	3,725	46,952	3,317	31,560	3,246	51,451	6,064	85,001
Kampandjangs, woven	,, ..	359	7,470	519	9,133	2,009	47,946	1,911	27,110
,, printed	,, ..	10,253	189,492	4,808	64,458	11,362	263,874	7,502	143,141
Cloths, woven	Dozens ..	..	..	28,086	47,083	1,710	5,012	12,291	940
,, printed	,, ..	7,922	20,240	57,475	107,059	8,479	36,889	48,071	111,259
Printed tjindees	Corges ..	16	133	89	626	153	2,596	585	10,844
Cloths, satin de laine and cassimir ..	Pieces ..	47	1,304	2,392	75,406	40	2,742	2,048	93,727
Everlasting	,, ..	..	..	564	11,052	..	..	602	14,921
Grosgrain	,, ..	2	83	..	..	..	..	929	21,580
Blankets	,, ..	1,959	4,773	3,768	6,955	1,125	2,187	2,169	4,138

THE Relative Parts taken in this trade by the Netherlands Trading Company and Private Enterprise (so far as Home Manufactures are concerned), are shown in the following Returns of Exports from Holland to Netherlands India of Home-manufactured Linen Goods during the first Eleven Months of the last Ten Years.

	Drillings.		Shirtings.		Cotton Blankets.		Maddapollams.		Calicoes.		Total Drillings, Shirtings, Maddapollams and Calicoes.		
	Netherlands Trading Company.	Private Enterprise.	Netherlands Trading Company.	Private Enterprise.	Netherlands Trading Company.	Private Enterprise.	Netherlands Trading Company.	Private Enterprise.	Netherlands Trading Company.	Private Enterprise.	Netherlands Trading Company.	Private Enterprise.	Total.
	Florins.	Florins	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.
1859	29,680	55,358	46,600	48,263	4,570	87,174	219,950	405,054	119,300	226,670	415,530	735,345	1,150,875
1860	22,200	82,245	80,500	57,447	1,600	81,472	356,000	427,231	115,350	274,905	574,050	841,828	1,415,878
1861	42,840	175,795	62,450	79,874	2,170	122,193	33,250	382,714	123,400	417,830	261,940	1,056,213	1,318,153
1862	23,000	163,731	45,050	38,296	..	149,664	85,400	750,757	41,800	296,955	195,250	1,249,739	1,444,989
1863	12,400	33,858	13,250	33,197	..	9,259	2,300	179,195	..	115,178	27,950	361,428	389,378
1864	15,000	117,507	5,000	46,753	..	33,167	17,050	157,657	6,300	139,529	43,350	461,446	504,796
1865	8,000	75,576	5,400	49,631	..	14,328	3,900	175,692	..	161,443	17,300	462,342	479,642
1866	19,400	146,376	19,000	196,624	..	31,605	109,950	708,001	54,000	302,625	202,350	1,353,726	1,556,076
1867	..	279,130	78,400	242,403	..	112,173	39,209	497,219	27,893	412,982	145,502	1,431,734	1,576,236
1868	29,000	119,805	16,000	181,791	..	94,720	4,400	533,459	800	268,756	50,200	1,103,811	1,154,011

The total returns of the imports and exports of this country during 1868, will not be published before February 1869, a date too late to admit of their review in the present annual "Concise Report," which, according to existing regulations, must be forwarded to the Foreign Office by the end of January at the latest, and may not be delayed on account of the non-publication of materials. The following Table gives, however, in a concise shape, the general imports and exports of the Netherlands from 1846 to the end of 1867 :—

Years.	General Importation.	Import for Consumption.	General Exportation.	Duty-free Exports.	In Transit.
	Florins.	Florins.	Florins.	Florins.	Florins.
1867 ..	552,084,793	439,025,679	449,217,611	340,087,304	109,130,307
1866 ..	528,971,700	425,149,121	436,590,752	338,557,296	98,033,456
1865 ..	500,528,378	403,953,287	438,991,127	344,781,050	94,210,077
1864 ..	474,337,773	380,876,561	433,416,570	344,162,246	89,254,324
1861–63 ..	466,412,402	360,212,227	405,928,806	300,746,045	105,182,761
1856–60 ..	418,819,300	302,584,451	351,425,936	236,555,787	114,870,149
1851–55 ..	329,380,615	221,060,834	282,172,993	173,405,202	108,767,798
1846–50 ..	266,059,816	176,477,361	211,879,487	126,944,881	84,934,606

The general import and export of precious metals during the last three years quoted has been as follows :—

	Imports.	Exports.
	Florins.	Florins.
1865	17,494,566	10,631,130
1866	17,764,411	12,097,330
1867	17,316,357	13,040,142

So that the import and export of merchandize was :—

	Florins.
In 1866, general importation	511,207,289
(Or about 28,000,000 more than in 1865).	
In 1867, general importation	534,768,434
(Or about 23,500,000 more than in 1866).	
In 1866, general exportation	424,493,422
(Or about 4,000,000 less than in 1865).	
In 1867, general exportation	436,177,469
(Or nearly 12,000,000 more than in 1866).	

The relation to one another of the principal articles of commerce during these years was as follows :—

	General Imports.			General Exports.		
	1865.	1866.	1867.	1865.	1866.	1867.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Manufactures	11·82	12·06	10·89	8·70	13·48	11·79
Sugar, raw	9·23	8·74	7·98	..	..	..
,, refined	..	..	..	6·91	7·78	7·09
Coffee	6·87	7·09	7·34	7·10	7·31	6·97
Grain	6·70	6·72	9·13	..	3·33	3·77
Iron	6·66	6·39	5·47	4·15	4·13	..
Yarns	6·06	7·22	7·24	4·94	5·29	5·93
Cattle	..	..	..	4·07	..	..
Flax, raw	..	..	..	3·60	..	..
Cotton, raw	..	3·64	3·44	3·50	3·79	3·43
Butter	..	..	..	..	3·33	..

On the 17th October, 1868, the Plenipotentiaries of the Netherlands, Baden, Bavaria, Hesse, France, and Prussia assembled at Mannheim, affixed their signatures to an International Act for the regulation of the free navigation of the Rhine, in supercession of the Mayence Convention of the 31st March, 1831. This Act (if ratified within six months) becomes operative on the 1st July, 1869. It has just been presented to the Second Chamber of the States-General of the Netherlands, with the view of directing the attention of that body to the framing of the legislation necessary for the execution of some of its provisions, and is consequently accessible to the public in all its details. This circumstance renders the recent publication by this Government of some statistics of the commerce passing Lobith, on the Dutch portion of the Rhine, from the date of the coming into operation of the Mayence Convention down to the close of 1867, of especial interest at the present moment; and a brief resumé of them therefore follows:—

	Up Rhine.	Down Rhine.	Total.
	Cwts.	Cwts.	Cwts.
1832–34	1,662,304	5,435,455	7,097,759
1835–39	2,048,608	6,965,469	9,014,077
1840–44	3,527,391	5,881,550	9,408,941
1845–49	4,174,375	6,661,730	10,836,105
1850–54	5,040,628	9,567,240	14,607,868
1855–59	6,074,513	10,958,169	17,032,682
1860–64	6,082,868	18,027,948	24,110,816
1865	5,792,224	21,945,681	27,737,905
1866	5,488,715	26,007,304	31,496,019
1867	6,618,657	30,004,410	36,623,067

For the three last years these goods are thus proportioned:—

Goods Exported from Holland into Germany.

	1865.	1866.	1867.
	Cwts.	Cwts.	Cwts.
Goods of First Class (including Colonial wares, cottons, oils, dyes, worked iron or steel, seeds, sulphur, saltpetre, &c.) .	2,942,348	2,852,146	4,265,054
Goods of Second Class (including cement, herrings, pig and old iron, iron ore, &c.)	2,162,946	1,965,725	1,822,961
Goods of Third Class (including earths, manure, stone, hay, fruit, &c.) ..	686,930	670,844	530,642
Total	5,792,224	5,488,715	6,618,657

Goods Imported into Holland from Germany.

	1865.	1866.	1867.
	Cwts.	Cwts.	Cwts.
Goods of First Class (including mineral waters, grain, lead, flour, wines, machinery, zinc, salt, sulphur ore) ..	3,429,707	4,401,291	5,306,892
Goods of Second Class (including brimstone, earthenware, coal, coke, cement, tophus, &c.)	15,908,977	17,702,743	21,417,230
Goods of Third Class (including earth, building stone, &c.)	2,606,987	3,903,270	3,280,288
Total	21,945,671	26,007,304	30,004,410

The part taken in the Rhine navigation by the vessels of different countries is stated to have been during 1867 at Lobith as follows:—

Flag.	Up Rhine.			Down Rhine.		
	Vessels.	Average Tonnage.	Average Cargo.	Vessels.	Average Tonnage.	Average Cargo.
		Cwts	Cwts.		Cwts.	Cwts.
Baden	79	7,228	4,131	109	5,987	4,156
Bavaria	54	7,399½	5,030	63	6,889	4,963
Hesse	101	6,796	4,423	163	7,377	6,054
Prussia (with Frankfort and Nassau)	1,358	4,194	2,268	2,531	4,068	3,445
Netherlands	1,315	2,837	1,769	7,160	2,920	2,655
Wurtemberg	..	..	..	1	6,371	5,205
Belgium	101	1,894	1,663	156	2,057	2,049
Total	3,008	3,748	2,200	10,183	3,311	2,929

The per-centages of the up-Rhine navigation passing Lobith enjoyed by Amsterdam, Rotterdam, Dort, other Dutch ports, and Belgium have been as follows, and show a marked falling-off in the Rhine traffic of Amsterdam, and an almost corresponding increase in that of Rotterdam.

In all these calculations no account is taken of timber rafts:—

From.	1852–54.	1855–59.	1860–64.	1865.	1866.	1867.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Amsterdam ..	24	16	12	7½	6⅜	6¼
Rotterdam ..	56	69	72⅘	83½	79	77¾
Dort	4⅜	5	2⅗	2⅓	2⅛	2⅛
Other Dutch ports	8⅖	8⅖	9⅘	5⅓	10¼	6⅖
Belgium ..	6⅖	1⅗	2⅘	1⅛	1¼	7
Total ..	100	100	100	100	100	100

That this perceptible falling-off in the mercantile importance of Amsterdam is not confined to its participation in the navigation of the Rhine, may fairly be inferred from the following brief statistics of that city, just published by the Statistical Society of the Netherlands:—

Population on December 31.

	Men.	Women.	Total.
1861	127,630	145,029	272,659
1866	123,656	142,021	265,677

Municipal Taxation.

	Florins.
1861	3,254,299
1866	3,153,140

From this discouraging point of view as regards population and finance, it is pleasant to have to turn and record, for the honour of Amsterdam, the following strides that its community has made in educational supplies:—

	Primary.	Middle.	Higher.	Total.
	Florins.	Florins.	Florins.	Florins.
1861 ..	181,664	8,500	61,282	251,446
1866 ..	266,074	81,184	69,957	417,215

With reference to the extent of education prevailing in the Province of North Holland, in which Amsterdam is situated, some interesting statistics have just been published by the Provincial States, with a view to showing how much still remains to be done in this matter.

According to these returns, there took place in North Holland, between 1864 and 1867, 15,777 marriages between young people. In 541 of these marriages the

man, in 1,774 the woman, and in 503 both man and woman, could not write.

The per-centage of ignorance was:—

	1864.	1865.	1866.	1867.	Average.
For Men	7·13	6·82	6·82	5·72	6·62
Women ..	15·83	15·13	13·86	12·97	14·43

Showing a slight but steady tendency to improvement.

In Amsterdam the per-centage was:—

For Men	5·75
Women	16

Throughout the rest of the province:—

For Men	7·29
Women	13·45

It is here pointed out by the Provincial authorities as a remarkable fact, that the conditions of ignorance among men and women appear to some degree reversed in town and country: that is to say, that in Amsterdam the rate of ignorance is higher for women than throughout the remainder of the Province, while for men it is higher throughout the Province than in Amsterdam.

This peculiarity would not seem to apply equally to the other towns of North Holland; for—

	Men.	Women.
At Haarlem the per-centage was ..	5·32	12·39
Helder	6·70	15·87
Alkmaar	3.11	9·97
Zaandam	3·89	11·08
Hoorn	8·44	12·93

While in the country it was:—

For Men	7·95
Women	13·65

In different parts of the same Province a more marked difference is perceptible than would have been deemed possible, considering that the population possesses as nearly as possible the same conditions of existence, and is under the same educational laws, the respective schools being even visited by the same Government Inspector. Thus, for example, to the south of the River Ij, the per-centage was—

For Men	16·59
Women	27·08

While to the north of the Ij it was—

For Men	4·26
Women	7·93

The figures just quoted for the country to the south of the Ij, represent, with one exception, the most unfavourable features in the statistics from which these extracts are made. This exception, though small in extent, is a striking blot upon the face of a country where education is so highly prized, and under such equal Government control as in Holland. It is Egmond-aan-Zee, where the percentage of the population unable to read or write was—

For Men	26·92
Women	42·31

Now, as North Holland is a fair average province, containing both rich and poor localities, of whose population the vaunted 1 in 8 theoretically attend some school, these figures clearly demonstrate either that the much-praised and equally-abused non-denominational Primary Instruction Law of 1857 has not yet reached the adult population, or that means are found by Communes to evade the burden to which the law in question makes them liable, or else (as has been suggested by the advocates for greater compulsion in school attendance) that the parents in the poorest classes, on whose account the Government is called upon to legislate, do connive at non-attendance of their children, in order to avail themselves of their slender services in herding cattle or such-like children's labour.

One important subject remains for observation in a review of the financial, commercial, and industrial position of the Netherlands at the commencement of 1869. This subject is the "International Exhibition of Domestic Economy," to be held at Utrecht in the early autumn of the current year. This scheme has been set on foot by the "Society for the Encouragement of Manufactures and Mechanical Industry in the Netherlands," established under the patronage of the King in 1851. The Prince of Orange is an honorary member of this association, which counts many of the leading public men of the Netherlands among its 680 active members. Its centre of operations is the Hague, and it has branches at Amsterdam, Dort, Utrecht, and Zwolle. The scope and interest of the coming Exhibition will, however, be best gathered from the following prospectus of its projectors.

(Signed) T. J. HOVELL THURLOW.

Society for the Encouragement of Manufactures and Mechanical Industry in the Netherlands.

The Society proposes to arrange an International Exhibition of articles for daily household use, at Utrecht, in the months of August and September 1869.

The principal object of this Exhibition is to bring to the knowledge of the workman such articles of household use, furniture, dress, food, work, and instruction of different countries as, at a low price, combine usefulness with solidity, so that he may be enabled by judicious economy to improve his condition.

It appears from this programme that articles of luxury as well as of elegance strictly so called are excluded.

In this point of view the Exhibition will derive great advantage from the assistance of co-operative associations, in all that concerns the 7th Class mentioned in the programme.

The Society flatters itself that an Exhibition organized with this object will attract exhibitors, as well in their own interests as in those of the working class; especially now that the question of cheapness begins more and more to fix the attention of the public, a question likely by its very nature to play an important part in the prosperity of nations.

International Exhibition of Domestic Economy to be held at Utrecht, from the middle of August to September 30, 1869.

1st Class.—*Houses, &c.*

a. Plans of dwellings for married and single workmen.
b. Plans of lodging-houses, eating-houses, boarding-houses, baths, rooms for reading and recreation.
c. Details of construction.
d. Materials for such buildings.

2nd Class.—*Household Necessaries.*

a. Furniture.
b. Bed and table linen.
c. Glassware, table crockery, earthenware.
d. Warming.
e. Lighting.
f. Cleaning.
g. Hosiery, basketwork, tin utensils, &c.

3RD CLASS.—*Clothing.*

a. Printed calicoes.
b. Linen and cotton goods.
c. Woollen cloth.
d. Mixed fabrics.
e. Ready-made linen.
f. Ready-made clothes.
g. Articles in gutta percha.
h. Knitted and netted goods.
i. Hats, caps, bonnets, &c.
k. Boots, shoes, &c.
l. Other articles of dress.

4TH CLASS.—*Food.*

a. Corn chandlers' wares.
b. Preserved meats.
c. Drinks.
d. Ways of preparing them.

5TH CLASS.—*Workmen's and Gardeners' Tools.*

6TH CLASS.—*Means of Moral, Intellectual, and Bodily Development.*

a. Books (school books excluded).
b. Music, musical instruments.
c. In-door gymnastics.
d. Amusements, games, &c.

7TH CLASS.—*Reports, Statutes, Regulations of Different Associations for promoting the well-being of the Working Classes.*

ANNEX.

From _____ *Secretary of the Local Commission at* _____.

SOCIETY FOR THE ENCOURAGEMENT OF MANUFACTURES AND MECHANICAL INDUSTRY IN THE NETHERLANDS.

INTERNATIONAL EXHIBITION OF DOMESTIC ECONOMY AT UTRECHT,

From the middle of August till September 30, 1869.

CONSIGNMENT of _____ to _____ who has read the Regulations and agrees to them.

(*Signature of Exhibitor*) _____.

A. Marks and Numbers of the Articles. Must agree with the Marks on the Address.	B. Space which your whole Consignment will occupy. In mètres.			C. Weight in Kilogrammes.	D. Description of Every different Sort of Article.	E. Retail ready-money Price. Your Consignment may be refused if this Column is not filled up. Article 4 *f* of the Regulations.	F. How to be sent back at your own risk and expense. The Commission will choose the means of Transmission if you do not indicate your wishes in this Column.	G. Do you wish to compete for a Prize?		H. Value of your entire Consignment for which you wish to be Insured against Fire, at the expense of the Commission. By not filling up this Column you lose all claim to Compensation.
	Height.	Length.	Breadth.					Yes.	No.	

L

Regulations.

Article 1. The International Exhibition of Domestic Economy announced in the programme will be held at Utrecht from the middle of August till September 30, 1869; this period may, at the outside, be prolonged for a fortnight.

Art. 2. The Exhibition will take place under the responsibility of the Society for the Encouragement of Manufactures and Mechanical Industry in the Netherlands. The Central Committee sitting at the Hague will take all preliminary measures for publicity and management.

The Central Committee appoints, as well at home as abroad, Commissions to promote the undertaking, by encouraging persons to send, and by watching over the interests of exhibitors.

The Local Commission at Utrecht is denominated the "Committee of Management;" it takes upon itself all that relates to the arrangement and carrying out of the Exhibition and correspondence with foreign Commissions.

Art. 3. Those who wish to send articles to this Exhibition are required to inform the Special Commission at for England, post paid, before the 1st of May, 1869. This Commission will send the lists received to the "Committee of Management," at Utrecht, addressed, "Mr. J. J. Metelerkamp, 1116, Bregittestraat, Utrecht."

This information must be furnished by the exhibitor sending the printed form with the blanks properly filled up (of which a specimen has been given), which will be supplied gratis on application (post paid) to the Central Committee or any of the local Commissions.

Art. 4. The Committee of Management reserves the right to refuse all the following articles:—

(*a.*) Those which are not duly announced according to Article 3.

(*b.*) Those which are not sent free of charge and to the address annexed to the printed form.

(*c.*) Those which arrive before the 15th and after the 30th July, 1869.

(*d.*) Those which the Committee shall consider unsuited to the Exhibition, whether this appears from the filling up in the blank forms, or only after delivery of the articles.

(*e.*) If the mark does not distinctly correspond with that of the address.

(In the cases mentioned in (*c*) and (*d*) the Committee of Management will immediately communicate their decision to the exhibitor.)

(*f.*) If, in so far as the rule is applicable, the retail ready money price is not set down in the proper column of the printed form.

Art. 5. The Committee of Management has the right not only to sell the articles exhibited at the price indicated, but also to order others of the same sort at the same price during the Exhibition.

The exhibitor who does not fulfil such order loses all claim to medal, honourable mention, &c.

The proceeds of articles sold, after deducting charges, will be remitted to the exhibitors, at the expense of the latter.

Art. 6. Goods from abroad which are sent back will be exempt from import duty, by Decree of the Minister of Finance, 10th November, 1868, No. 7 (Section of Import, Export, and Excise Duties).

The Central Committee, in concert with the local Commissions, will try to obtain from the different Companies a reduction of the charge for carriage, or exemption if possible.

Art. 7. Goods cannot be reclaimed so long as the Exhibition remains open.

Art. 8. All goods will be insured against fire, without risk to the exhibitors, but only on condition that column H of the blank form is filled up to that effect.

The necessary measures to guard against damage or loss will be taken without, however, any responsibility being incurred by the Committee in respect to the exhibitors.

Art 9. At the close of the Exhibition all goods will be returned, unless the exhibitors have expressed a wish to the contrary; in this case they will remain at the disposal of the Central Committee (without prejudice to Article 14).

Art. 10. Unless the exhibitor gives notice that he will provide for the packing of his own goods, they will be packed and dispatched under the direction of the Committee of Management, at the latest within one month after the closing of the Exhibition, at the expense and risk

of the exhibitors, and the expenses will be charged to them.

When the mode of transmission is not indicated in column F of the blank form, the Committee of Management will exercise their own discretion.

Art. 11. The articles exhibited will be submitted to a jury which will distribute medals and honourable mentions.

The jury will be appointed by the Central Committee, which will, at the same time, draw up regulations for their guidance.

The result of their decisions will be afterwards published.

Art. 12. Exhibitors will have at all times personal free admission on presenting a ticket with which they will be furnished by the Committee of Management.

The hours and the price of admission will be settled by the Central Committee of Management, and will be published in the newspapers.

Art. 13. After having obtained the Royal permission a lottery will be held of the articles bought at the Exhibition by the Committee of Management.

A ticket inscribed "bought for the lottery" will be attached to all the articles so purchased immediately on the purchase being decided on.

Art. 14. The Report, Statutes, Regulations, &c., sent in under Class 7, will remain the property of the Society for the Encouragement of Manufactures and Mechanical Industry in the Netherlands.

Art. 15. All letters must be sent post paid.

Those to the Commission at to

The Central Committee,

Baron D. J. MACKAY, *President.*
M. L. HERMANS, *Vice-President.*
Dr. J. TH. MOUTON, *Secretary and Correspondent, Spuistraat* 28, *The Hague.*
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Mr. A. v. NAAMEN v. EEMNES.

Denmark.

Report by Mr. Strachey, Her Majesty's Secretary of Legation, on the Finance, Trade, Agriculture, &c., of Denmark.

Copenhagen, January 25, 1869.

Finance.

I DO not propose to repeat on this occasion any of the elaborate historical and analytical details of my last year's Report. That document is, however, the groundwork of the present paper, which will hardly be understood apart from the previous Report, except by persons generally familiar with the Danish finance system.

RESULTS of the Balance Sheet for 1867-68.

	Rix-dollars sk.	£ sterling.
For the year ended March 31, 1867, the public income of Denmark was .	24,358,176 6¼	2,706,464
While the expenditure was	24,388,629 25	2,709,736
Showing a deficiency of ..	30,452 52¾	3,383

The correspondence between revenue and expenditure in the last financial year was, therefore, very nearly exact.

Moreover, the balance in banks and treasuries on March 31, 1868, amounted to 4,930,007 rix-dollars 69¼ skillings or 546,667*l.*

The Tables which follow exhibit:

(1.) The details of Income, and

(2.) The details of Expenditure—

Explanatory of the above general figures.

(No. 1.)—Public Income of the Kingdom of Denmark for the year ended 31st March, 1868.

No.	Denomination.	Rix-dollars	sk.
1	Direct taxes	4,142,194	77¾
2	Customs and Excise (nett)	7,739,940	25
3	Crown lands and Insular Regalian dues (nett) .	710,018	44
4	Indirect taxes	1,812,504	93
5	Post Office and Telegraphs (nett)	— 29,631	71
6	Lottery (nett)	142,011	30
7	A. Interest on Reserve Fund	2,123,346	42½
	B. Contributions from ditto	1,135,288	0
8	Miscellaneous receipts	1,253,826	80½
9	Increase of National Debt for railroad ..	3,749,011	0
10	Contributions from Schleswig and Holstein ..	864,712	0
11	Income tax	655,687	84½
	Total	24,358,176	68¼
	Balances in Banks and Treasuries, April 1, 1867	4,960,460	26
		29,318,636	94¼
		Or, £ 3,257,625	

(No. 2.)—Public Expenditure of the Kingdom of Denmark for the year ended 31st March. 1868.

No.	Denomination.	Rix-dollars	sk.
1	Civil List	672,924	0
2	National Debt	7,582,246	24½
3	Pensions	2,081,367	64½
4	Army	3,783,978	27½
5	Navy	1,676,681	47½
6	Civil Service	3,050,982	33½
7	Legislature	193,058	50
8	Railroad	3,848,511	28
9	Extraordinary disbursements	1,498,880	16½
	Total	24,388,629	25
	Balances in Banks and Treasuries, March 31, 1868	4,930,007	69¼
		29,318,636	94¼
		Or, £ 3,257,626	

As the official "Regnskab" minutely compares the actual receipts and disbursements with the amounts voted by the Legislature under each head of income and disbursement, the balance between anticipation and result

is easily struck. Chancellors of the Exchequer know how to create an apparent surplus by writing the proposed expenditure too high and the receipts too low. I am not aware that this device has been employed here, although the "Regnskab" shows that recent Danish Budgets have been too pessimist rather than too sanguine. On a general view of the balance sheet the results are more favourable than the estimates. How far the receipts from the Customs and indirect taxes surpassed the Ministers' expectations may be seen from this summary:—

	1867–68.	
	Vote.	Receipts.
	Rix-dollars sk.	Rix-dollars. sk.
Stamps	578,500 0	699,322 86
Legacy duty	260,000 0	305,486 22
Duty on sales of real property ..	130,000 0	182,648 55½
Judicial and other fees	531,000 0	625,047 25½
Customs	7,236,030 72	7,739,940 25

I may mention in this place that the "Regnskab" (see last year's Report) is submitted, as soon as published, to a Parliamentary Committee, which calls for more detailed accounts and vouchers, where these may seem necessary, and in some cases requests the Minister concerned to give his explanations in person. The control thus exercised is, I presume, much more minute and satisfactory than the analogous legislative superintendence which prevails in England and elsewhere. The effect on the official conscience is excellent: every year inaccuracies are exposed by the Committee, particularly in the accounts of the War Department, but the margin of irregularity is much narrower than the European, or even the English average.

New Budget.—The Budget for 1869-70 is now before the Folkething, where it will not suffer any considerable alterations. Since my Tables were arranged, the Chamber has been asked to provide by special law for sundry expenses consequent on the approaching marriage of the Crown Prince, as also to vote an annual sum for pin money for the Princess of Sweden, and guarantee an appropriate marriage settlement for the Royal pair. These and other items not yet brought forward will swell the estimated expenditure beyond the amount

below given, but not to any important extent. The general figures are:—

	Rix-dollars sk.	£
Income	22,987,136 43 =	2,554,126
Expenditure	22,802,668 14	2,533,630

(No. 3.)—Danish Budget for 1869-70.

Income.

No.	Denomination.	Rix-dollars sk.
1	A. Direct taxes	3,957,304 0
	B. Income tax	1,000,000 0
2	Customs and Excise (nett)	7,852,614 46
3	Crown lands (nett)	657,909 58
4	Indirect taxes	1,781,500 0
5	Post Office and Telegraphs (nett)	158,849 28
6	Lottery (nett)	165,174 0
7	A. Interest on Reserve Fund	2,312,819 35
	B. Contribution from capital of ditto ..	4,746,169 11
8	Miscellaneous receipts	314,456 57
	Total	22,987,136 43 Or, £ 2,554,126

(No. 4.)—Danish Budget for 1869-70.

Expenditure.

No.	Denomination.	Rix-dollars sk.
1	Civil List	707,924 0
2	National Debt	7,355,707 45
3	Pensions	1,958,543 35
4	Army	4,194,291 82½
5	Navy	1,880,652 44
6	Civil Service	2,883,348 64½
7	Legislature	100,000 0
8	Railroads	2,825,000 0
9	Extraordinary expenditure	897,200 31
		22,802,668 14 Or, £ 2,533,630

Remarks.—In comparison with last year's Budget these estimates present a real reduction of expenditure equal to about 400,000*l.* There is also a nominal diminution of income, but this arises from the fact that the last Budget included a large loan for railways. According to the Danish fashion of stating the accounts, there should be a

deficit of about 1,000,000 rix-dollars, or 111,100*l.*; but as this sum is to raised by an Income Tax, which the Minister of Finance (for euphemism's sake) prefers to call an Extraordinary, or Rectificatory, Impost, the general result may be described as nearly complete equilibrium. The absence of a deficit is the more satisfactory as the finances of Denmark have for nearly thirty years been in a dangerous, almost a hopeless condition.

The virtue, or vice, of national self-esteem flourishes here with an intensity scarcely to be matched even amongst peoples whose power, exploits, and genius are the envy of the less-favoured races of mankind. It is, however, generally admitted that the annals of official dishonesty and folly have nothing worse to show than the old financial administration of Denmark. The enlightened Struensee seems to have been the first to suspect and suggest that the scale of public expenditure ought not to be absolutely irrelative of the means to meet it.

In 1839, the deficit was nearly 4,500,000*l.*; in 1847, it was 3,400,000*l.*; in 1853, no less than 5,000,000*l.*; in 1861 (after the capitalization of the Sound Dues), 3,500,000*l.*; in 1865-66, 6,000,000*l.* The change from deficit so chronic and so overwhelming to a state which approximates to surplus is even more striking than appears at first sight; for—

1. The loss of the Duchies entailed a loss of income under the head of Public Domains.

2. The same event swelled the Pension List to nearly double its original figure.

3. There has been an increased expenditure for the Army and Fleet.

4. Within the last seven years from 19,000,000 to 20,000,000 rix-dollars have been spent by the State on the Jutland railways.

Without pretending to discriminate between coincidences and consequences, I would remark that financial improvement in Denmark dates from 1865, the year of the introduction of genuine Parliamentary Government. Between 1848 and 1865 there prevailed a diluted Constitutionalism. In 1865, Count Trijs inaugurated the English system.

Reserve Fund.—The most interesting feature of the Danish Budget is the Reserve Fund, valued in my last Report at about 7,660,000*l.* This sum, on a comparison

of the public income of Denmark with that of England, would be the equivalent of nearly 200,000,000*l.* On March 31, 1869, the fund will stand at about 6,500,000*l.* Next year it will be reduced —

1. By cancelling 10,000,000 rix-dollars of Danish 4 per cents., which it now holds; and

2. By the amount of a subsidy of 2,825,000 rix-dollars (314,000*l.*) to the Jutland railways.

The Minister of Finance contemplates future deductions from this fund, which, according to his calculations, will have fallen to 16,000,000 rix-dollars, or 1,780,000*l.*, by the year 1877.

National Debt.—This will be reduced to the extent of the 10,000,000 rix-dollars just named. On March 31, 1869, it will stand at 119,141,100 rix-dollars, or 13,238,000*l.*

On March 31, 1867, it stood at 130,609,721 rix-dollars 61 skillings, or 14,512,191*l.*

A comparison of the interest due on the National Debt for each of the years 1866-67, 1867-68, 1868-69, 1869-70, shows the diminution in annual charge :—

	Rix-dollars sk.	£
1866–67	12,033,473 55	1,337,500
1867–68	7,582,246 24½	842,200
1868–69	11,876,806 45	1,311,800
1869–70	7,355,707 45	817,300

Army and Navy. Extraordinary Expenses. — This chapter of the Budget contains nearly one-third of the whole national expenditure. The Extraordinary Expenses are chiefly of a warlike kind, so that the entire sum to be spent in this fashion will amount to above 6,800,000 rix-dollars, or 765,000*l.*

Army.—The Law of 1867 introduced the Prussian system of universal liability to serve. (British subjects have been exempted by special arrangement.)

The *Infantry* consists of 20 line battalions, 10 of reserve, 10 depôt; with 1 of Life Guards, and 1 reserve. Of *Cavalry*, 5 regiments, each with 2 squadrons active and 2 depôt. Of *Artillery*, 2 regiments in 12 batteries. The Infantry soldier, when drawn, remains for six months with his instructors, and is then sent home; the trooper is allowed nine months to learn his business. Every two years the men of the active army will be called in for a

short drill. The future Danish army is 40,000 strong on paper, but some time must pass before the Minister of War will be able to muster more than 25,000 men really fit to take the field. Popular Danish imagination, especially that of the ruins of the old "Eyder-Dansk" party, easily applies to these troops the method which Sir John Falstaff applied to his men in buckram, so as, in fact, to indulge in the prospect of large Danish armies taking a heavy revenge on Prussia, and generally marching over the face of Europe. To an inferior foreign intelligence the assumed spectacle of Christian IX walking in the ways of Christian IV is not without its grandeur, but I am myself unable to see how 25,000 Danes are to turn the scale when 2,000,000 men shall be under arms in the next European war. Then, if the battles of Lutter, Istedt (although a victory), and Dybbol represent so many stages of warlike decline, it is not likely that the half-disciplined levies of the new system will open a new chapter in the military Fasti of Denmark. I may add that the army will presently be armed partly with Reamingtons, partly with converted breechloaders.

Navy.—The iron-clads are as follows :—

Name.	Horse-power (nominal).	Armour, in inches.	
1. Denmark	600	4½	12 60-lb., 7 tons rifled Armstrongs 12 24-lb., 50 cwt.
2. Peder Skram	500	4½	6 60-lb., 7 tons rifled Armstrongs. 12 24-lb., 50 cwt,
3. Dannebrog	400	4½	6 60-lb., 7 tons rifled Armstrongs. 10 24-lb., 50 cwt.
4. Rolf Krake	235	4½	1 60-lb., 7 tons rifled Armstrongs. 2 60-lb., 88 cwt. smooth-bore.
5. Lindormen (one turret)*	360 To work up to 1,750	5 with 10 inches wood-backing.	2 12½ tons rifled Armstrongs.
6. No. 54. Turret-ship (building).	360	7	2 18 ton ditto.

Nos. 1, 2, 3, are converted ships; No. 4 was bought abroad in 1864; the "Lindormen" alone is up to the present standard of iron-clads.

* Length between perpendiculars, 210 ft.; breadth, extreme, 38ft. 3in.; draught, 12 ft. fore and aft; twin screws; Coles's cupola; folding-down bulwarks; plated all over.

Commerce.

According to the Custom-house Returns, the whole commercial movement for the year ended March 31, 1868, reached the amount of 2,708,944,545 lbs. Danish, being above 6 per cent. more than the weight for the previous year, and above 2½ per cent. less than in 1865–66.

The tendency of the imports to grow, of the exports to diminish, noted in my previous Report, seems now to be a settled condition of Danish trade. Reckoned by millions of pounds, the imports for the three last years stood thus :—

	Pounds.
1865–66	1,742,000,000
1866–67	1,681,000,000
1867–68	1,863,000,000

This increase has chiefly taken place in lightly-taxed, or duty-free, wares, so that the Exchequer has not benefited in proportion to the augmented scale of consumption.

Following the same line of comparison, the goods exported weighed as follows :—

	Pounds.
1865–66	1,040,000,000
1866–67	871,000,000
1867–68	845,000,000

The diminution of exports, which might have been predicted from the recent state of the foreign exchanges, amounts to 18·7 per cent. for the period of two years.

The part which Copenhagen takes in the whole movement continues to increase.

Great Britain's share in Danish trade, both ways, has fallen from 45 per cent. of the whole movement, to 39·9 per cent.

Imports. — The chief articles under this head, the Colonial products. From them the Custom-house received in duties 2,115,000 rix-dollars (235,000*l.*), or 109,000 rix-dollars more than the amount noted for the previous year. The main item of the group is still sugar, which must have as much importance in the eyes of the Minister of Finance as it had in Lord Chatham's, seeing that it produces nearly one-fourth of the whole Danish Customs Revenue. The imports for the last three years stand as follows :—

	Pounds.
1865–66	35,230,000
1866–67	38,590,000
1867–68	44,400,000

The increase is entirely on the sorts which are most lightly taxed, and the import comes in the main, direct from the West Indies, Danish and foreign.

The annexed Table resumes the imports of coffee, rice, tea, and tobacco :—

	1866–67.	1867–68.
	Pounds.	Pounds.
Coffee	14,490,000	14,290,000
Rice	8,490,000	7,870,000
	1865–66.	
Tea	502,000	568,000
Tobacco	6,640,000	5,480,000

The imports of cotton and woollen goods, of metals, coal, have some interest for England; but as nearly all the remarks made in my former Report, in respect of their consumption, place of origin, and the like, are literally applicable for the last commercial year, I confine myself, as far as these, and other less important groups are concerned (except iron), to a mere synopsis of results. The following Table includes twenty-five articles, arranged according to their financial importance, with the duties received on them in each of the last three years. Together they produce about 94 per cent. of the whole Customs Revenue :—

	1865–66.	1866–67.	1867–68.
	Rix-dollars.	Rix-dollars.	Rix-dollars.
Sugar, syrups, and molasses ..	1,232,906	1,281,386	1,333,354
Cotton and flax goods	604,643	607,308	646,374
Ditto, wool	731,323	580,809	603,442
Timber and wood	416,591	397,137	440,923
Coffee	261,454	342,800	355,202
Metals	268,204	243,733	317,352
Tobacco	168,314	256,868	276,259
Drinks	180,964	226,307	253,065
Coal	195,823	178,949	194,237
Silk manufactures	237,524	178,741	176,413
Salt	137,193	147,227	173,064
Oils, &c.	50,400	68,932	107,595
Rice	63,472	71,024	87,429
Glass	77,207	70,507	72,456
Earthenware	83,379	71,333	69,411
Tea	51,920	54,505	63,434
Cheese	62,375	49,504	62,353
Fruits	57,042	58,693	58,494
Spice	53,747	50,804	50,859
Dye stuffs	58,431	43,698	47,380
Hops	54,481	37,212	40,328
Chicory	45,525	38,729	37,877
Paper	42,340	31,336	30,371
Skins and hides, prepared ..	33,051	24,748	28,622
Fish	31,907	23,906	23,466
Total	5,200,216	5,136,196	5,549,760

The Table indicates a large increase in metals. This is chiefly owing to the improved trade in iron and iron goods, particularly in rails, sleepers, &c. As in 1866–67, England has again delivered the greater part of the plates, tin, anchors, chains, cables, and nearly all the iron for railway constructions. While Sweden is gradually driving out our rod and hoop iron, as well as our nails and spikes. The annexed Table exhibits in detail the iron declared for duty in each of the last three commercial years :—

	Duty per lb. in skillings.	1865–66.	1866–67.	1867–68.
		Lbs.	Lbs.	Lbs.
Rods and hoops ..	0·25	20,980,166	24,498,445	23,569,517
Bar steel		844,410	945,416	1,005,501
Rails		10,427,141	1,682,006	18,936,941
Other goods		1,274,516	3,080,818	3,212,873
Sheet and tin, raw ..	0·25	5,110,402	5,190,241	5,238,328
Nails and spikes ..	1	2,524,141	2,304,892	3,488,253
Sheet and tin, tinned ..		1,224,865	1,088,426	1,680,225
Wares chiselled, &c. ..	16	44,373	36,643	255,614
Anchors	1	46,584	51,376	64,648
Chains and cables ..		169,935	219,093	348,467
Other wares		3,214,612	3,824,711	2,767,795
All other goods . ..	3	1,678,156	1,374,002	1,521,562
Total	..	47,539,301	44,296,069	62,089,724

Exports of Domestic Produce.

The value of the chief articles belonging to this head was :—

	Rix-dollars.	£
For 1867–68 ..	19,969,020	2,218,780
1866–67 ..	22,675,996	2,518,440
1865–66 ..	25,631,577	2,847,950

Cereals, &c.—This progressive decline is principally caused by the diminished exportation of cereals, ground and unground, which in 1867–68 only reached 2,979,628 tönder, or 1,400,500 quarters, being a falling-off of nearly 30 per cent. as compared with 1865–66. As the change which has chiefly told on wheat and barley has been accompanied by a large increase in cereals imported, and as it cannot be altogether referred to bad harvests here, the inquiry is suggested whether Danish corn may not hereafter reach foreign countries in less quantities than before. England continues to be Denmark's best customer for the cereals and leguminous kinds, of which in 1867–68 we took, as in 1865–66, above half the entire export, namely,—

	Tönder.	Quarters.
Of malt and barley ..	513,271	718,300
Oats	777,511	
Wheat	231,832	
Rye	2,021	
Beans and peas ..	43,689	
Buckwheat	None.	

The average Danish cereal harvest may be taken at about 8,500,000 quarters (in England about 20,000,000

quarters). The whole Danish export may be compared (roughly) with that of North Germany or Russia; it may be half that of Austria, or the Danubian Principalities. Supposing Great Britain to require 5,000,000 quarters of foreign corn, the Danish contribution of from 700,000 to 800,000 quarters is evidently an important part of our food supplies. I may add that the last Danish harvest was very plentiful, wheat especially being superabundant.

Live Stock.—There is a falling-off in the export of animals from 141,449 head to 125,915 head. Of swine and pigs more were exported: of horned cattle and horses fewer. That the direct export to England is rapidly diminishing will be seen from the annexed figures:—

To England direct:

	1865-66.	1866-67.	1867-68.
Sheep and lambs . ..	27,326	8,723	2,920
Swine and pigs . ..	2,061	237	39
Horned cattle	10,794	8,997	6,138
Horses	6	33	2

But in spite of this appearance it is likely enough that the absolute number of Danish animals received has not diminished. For the export by way of Schleswig-Holstein has grown from 58 per cent. in 1865-66, to 82 per cent. in 1867-68 of the whole amount, which increase may indicate a larger shipment at Hamburgh for English ports.

England has again taken the larger part of the butter, meat, bacon, hams, wools, skins, oilcakes, butter, and teeth sent from Denmark. But in these articles there is a general gross decline. Our absolute, not our proportionate, take of cereals and live stock has fallen 21 per cent. from the amount of the previous year.

Navigation.

The shipping clearances for last year were 84,948 (with tonnage 840,955), which shows an improvement of 10 per cent. in the number of vessels as compared with 1866-67, and a falling-off by the side of 1865-66 of 2 per cent.: the tonnage is nearly the same as that of the last named year. The improvement is owing to the increased tendency of steamers to supersede sailing-ships in the

coasting trade, which is almost exclusively carried on native bottoms.

Owing to the lessened export described under the last head, there is a decline in the long voyages registered; at the same time the share of the foreigners in this branch of business has increased.

1865–66:—	
Ships	40,364
Lasts	552,927
Foreigners per cent., 52·4.	
1867-68:—	
Ships	38,084
Lasts	535,615
Foreigners per cent., 53·1.	

(Signed) G. STRACHEY.

Appendix.

Since the above was forwarded the Government has withdrawn the proposal for an income tax. During the discussion on the Budget several retrenchments have been suggested and accepted; the indirect taxes are steadily augmenting; and a payment of 230,000 rix-dollars on Duchy account has lately been made by the Prussian Government, which may exceptionally be written against the deficit. Under these circumstances the debtor side of the Budget for 1869-70 will hardly exceed the creditor side by more than 250,000 rix-dollars, or 28,000*l.*, which sum may be dealt with hereafter without the help of a special tax.

G. S.

Italy.

Report by Mr. Herries, Her Majesty's Secretary of Legation, on the Trade, Navigation, and Finance of Italy.

Florence, January 30, 1869.

The latest Navigation Returns for the whole of the Kingdom of Italy are those for the year 1867. The number and tonnage of the vessels under Italian and foreign flags which entered and left Italian ports in that year are shown by the following statement:—

Foreign Trade.

	Entered inwards.		Cleared outwards.	
	Ships.	Tons.	Ships.	Tons.
Sailing vessels	16,873	1,860,564	17,430	1,924,211
Steam vessels	4,250	1,623,143	4,104	1,520,323
With cargoes	17,971	3,094,737	15,430	2,609,136
In ballast	3,152	388,970	6,104	835,398
Italian	12,572	1,251,971	13,328	1,355,294
Foreign	8,551	2,231,736	8,206	2,089,240
	21,123	3,483,707	21,534	3,444,534

Coasting Trade.

	Entered inwards.		Cleared outwards.	
	Ships.	Tons.	Ships.	Tons.
Sailing vessels	75,810	2,339,307	73,048	2,143,087
Steam vessels	10,196	2,460,066	10,205	2,512,629
With cargoes	62,677	3,951,735	61,975	3,932,207
In ballast	23,329	856,638	21,278	723,509
Italian	84,945	4,553,948	82,189	4,357,759
Foreign	1,061	254,425	1,064	297,957
	86,006	4,808,373	83,253	4,655,716

The total number of vessels entered inwards and cleared outwards amounted to 211,916, with an aggregate tonnage of 16,392,330, of which 42,657 ships, and 6,928,241 tons were employed in foreign trade, and 169,259 vessels, and 9,464,089 tons, in the coasting trade. There were in all 183,161 sailing vessels, with a total tonnage of 8,267,169, and 28,755 steam vessels, of the aggregate

burden of 8,125,161 tons; 193,034 ships, and 11,518,972 tons, were under the Italian flag, and 18,882 ships, with 4,873,358 tons, were under foreign flags. Of the whole number of vessels above indicated, 21 per cent. were engaged in foreign, and 79 per cent. in the coasting trade; 87 per cent. were sailing and 13 per cent. steam vessels; 75 per cent. had cargoes, and 25 per cent. were in ballast.

The most active maritime districts were those of Genoa, Leghorn, Messina, and Naples. With regard to the tonnage of steamers, however, and to that of vessels of all kinds under foreign flags, the first place belonged to Messina, a circumstance which is, I presume, to be accounted for by the frequent arrivals and departures of the large steam-ships of the French Messageries Impériales, which regularly touch at that port.

The extent of the navigation in each of the maritime districts into which the coasts of the kingdom of Italy are divided is shown by the subjoined Table:—

Maritime Districts.	Entered inwards.		Cleared outwards.	
	Foreign Trade.		Coasting Trade.	
	Ships.	Tons.	Ships.	Tons.
Genoa	5,663	1,269,005	18,657	1,357,377
Messina	2,249	953,165	15,827	1,023,690
Leghorn	2,844	647,664	17,214	1,257,219
Naples	2,809	672,310	11,397	907,709
Palermo	977	369,439	7,329	465,901
Venice	8,367	672,140	2,348	135,718
Catania	1,566	197,624	11,035	605,546
Taranto	1,051	268,721	7,652	436,699
Porto Empedocle	2,383	293,975	6,070	339,782
Cagliari	1,341	241,242	3,786	329,365
Castellammare	1,207	216,210	11,283	329,365
Ancona	2,423	338,847	5,397	161,447
Bari	1,610	135,483	6,918	332,751
Spezia	1,125	86,150	10,224	369,874
Trapani	957	98,461	6,788	290,230
Pizzo	60	6,909	6,003	359,405
La Maddalena	1,033	121,161	2,538	201,802
Porto Maurizio	2,550	182,898	2,475	143,682
Portoferraio	783	66,772	5,643	156,466
Rimini	1,567	84,670	6,118	125,821
Gaeta	92	5,395	3,557	108,242
Total	42,657	6,928,241	169,249	9,964,089

With regard to the nationality of these vessels, the following statement is given:—

Flags.	Foreign Trade.		Coasting Trade.	
	Ships.	Tons.	Ships.	Tons.
Italian	25,900	2,607,265	167,134	8,911,707
French..	4,666	1,471,209	1,342	347,869
British..	3,453	1,256,445	366	131,622
Austrian	3,664	533,347	201	17,407
Greek	2,034	355,613	9	1,002
North American.. ..	331	146,221	6	4,443
Swedish and Norwegian ..	429	135,879	31	11,701
Netherland	473	121,107	78	23,376
Prussian.	324	65,768	14	1,969
Russian	172	62,733	3	1,367
Spanish	294	40,785	8	1,060
Turkish	343	28,945	11	1,145
Bremen	23	20,778	4	3,450
Belgian	27	18,872	3	2,472
Mecklenburg	65	18,365	..	..
Danish..	93	13,738	1	143
Pontifical	236	11,792	40	2,022
Moldo-Wallachian ..	33	5,289	1	183
Uruguay	12	3,296	..	..
Oldenburg	10	2,075	4	912
Portuguese	12	1,788	2	212
Hamburg	10	1,902	..	..
Tunisian	38	1,867	1	27
Jerusalem	9	1,867	..	..
Argentine	2	700	..	..
Brazilian	3	546	..	..
Morocco	1	49	..	..
Total	42,657	6,928,241	169,259	9,464,089
Total foreign ..	16,757	4,320,976	2,125	552,382
Italian	25,900	2,607,265	167,134	8,911,707

14,169 vessels were compelled by stress of weather or other unavoidable circumstances to enter Italian ports. Of these there were—

	Vessels.
Under Italian flag	12,892
Greek	614
French	261
Austrian	120
British	57
Russian	34
Pontifical	80
Ottoman	36
Spanish	35
Swedish and Norwegian	7
North American	4
Dutch	7

The flag which suffered the least in this respect was that of Great Britain—less than 3 per cent. of the British vessels engaged in Italian trade having been driven into ports other than those they were bound for.

Foreign Trade.—The number of ships entered inwards amounted to 21,123, with an aggregate tonnage of 3,483,707, against 21,534 ships, and 3,444,534 tons, cleared outwards; the total amount being 42,657 ships, and 6,928,241 tons.

These ships touched at 187 ports, and carried 143,621 passengers; their crews being reckoned at 506,528.

The number of vessels with cargoes was 33,401, of 5,703,873 tons; and 9,256 vessels, having an aggregate tonnage of 1,224,368, were in ballast.

Of the vessels entered inwards, there were 17,971, of 3,094,737 tons burden, with cargoes; and 3,152, of 388,970 tons, in ballast.

Of the vessels cleared outwards, 15,430, of 2,609,136 tons, had cargoes, while those in ballast amounted to 6,104, with 835,398 aggregate tonnage.

Under the Italian flag, the arrivals were—ships, 12,572; tons, 4,251,971; and departures—ships, 13,328; tons, 1,355,294.

With regard to foreign flags, the total Returns have already been given. Those which had the largest share in the general trade were—

Flag.	Entered inwards.		Cleared outwards.	
	Ships.	Tons.	Ships.	Tons.
French	2,426	762,744	2,240	708,405
British	1,807	666,944	1,646	589,501
Austrian	1,821	272,680	1,843	260,667
Greek	990	174,663	1,044	180,950
United States	168	72,946	163	73,275
Swedish and Norwegian ..	200	62,841	229	73,038
Netherlands	239	60,029	234	61,078
Prussian	175	35,804	149	29,964

The proportion of steam to sailing-vessels was as 1 to 4 for the whole of the shipping employed; but under the Italian flag there were 9 sailing-vessels to 1 steamer.

With regard to the tonnage of sailing and steam-vessels, Italian and foreign together, the proportions were—1,000 tons of the former, to 831 tons of the latter; or, if Italian ships only are considered, 1,000 to 251.

The total number of steam-vessels which entered and left Italian ports amounted to 8,354, of 3,143,466 aggregate tons burden. Of these vessels, 2,666, with a tonnage of 558,560, were under the Italian flags. They were thus divided:—

	Vessels.	Tons.	Aggregate horse-power.
Entered inwards.. ..	1,319	279,849	147,745
Cleared outwards ..	1,347	278,706	144,517

The extent of the steam navigation under the French, British, Austrian, and Netherlands flags respectively is shown by the following figures:—

FRENCH.

	Vessels.	Tons.	Horse-power.
Entered inwards.. ..	1,570	676,684	277,411
Cleared outwards ..	1,523	644,801	266,069

BRITISH.

	Vessels.	Tons.	Horse-power.
Entered inwards.. ..	726	433,900	124,519
Cleared outwards ..	602	366,530	105,578

AUSTRIAN.

	Vessels.	Tons.	Horse-power.
Entered inwards.. ..	519	174,806	87,700
Cleared outwards ..	512	170,375	85,635

NETHERLANDS.

	Vessels.	Tons.	Horse-power.
Entered inwards.. ..	81	36,753	13,410
Cleared outwards ..	88	39,944	14,653

The total number of sailing-vessels was 34,303, of the aggregate burden of 3,784,775 tons. Under the Italian flag there were 23,234 ships, and 2,048,710 tons.

Steam and sailing-vessels being taken together, it is found that the average burden of every ship under the Italian flag was 101 tons.

That of French ships was 315 tons; of British ships, 364 tons; of Austrian ships, 146 tons; of Greek ships, 171 tons; of United States' ships, 441 tons; and of Swedish and Norwegian ships, 317 tons.

The average number of men per ship was 9 for Italian vessels, 25 for French vessels, 20 for British vessels arriving, and 16 for those under the same flag leaving, Italian ports.

Out of every 100 ships arriving from France, 77 of 12,320 tons, and out of every 100 ships proceeding to France, 88 of 13,200 tons, had cargoes.

With regard to the trade between Italy and Great Britain, it appears that the vessels with cargoes were in the proportion of 87, with a tonnage of 23,751, out of 100 ships arriving from British ports, and of 88 of 13,660 tons, out of 100 ships proceeding to British ports.

The movement of passengers by sea was seriously affected in 1867 by the cholera and the consequent sanitary measures which were adopted; 65,781 passengers left Italy for foreign countries while the number of those who arrived was 69,817; 11,806 persons took passage for South or North America, the greater number of them to the former, and principally to Uruguay and the Argentine Republic.

Coasting Trade.—169,259 vessels, steam and sailing, of 9,464,089 tons in the aggregate, entered or left 298 ports. The arrivals were 75,810 sailing vessels with 2,339,307 tons and 10,196 steam vessels with 2,469,866 tons; and under the head of departures there were 73,048 sailing vessels, of 2,143,087 tons, and 10,205 steamers of 2,512,629 tons. Under the former head, 62,677 vessels of all kinds with 3,951,735 tons, and under the latter, 61,975 with 3,932,207 tons had cargoes. Of the whole of the vessels engaged in the coasting trade, 74 per cent. had cargoes, and 26 per cent. were in ballast; 88 per cent. were sailing ships, and 12 per cent. were steamers; 99 per cent. were under the Italian flag, and 1 per cent. under one foreign flag.

The arrivals and departures together of the ships with cargoes in each of the several maritime districts are stated as follows:—

	Ships.	Tons.
Genoa	14,069	1,112,115
Leghorn	11,556	1,078,077
Messina	12,126	940,095
Naples	8,629	787,890
Catania	8,267	529,343
Palermo	5,674	388,970
Taranto	5,508	370,136
Pizzo	4,662	328,368
Porto Empedocle	4,740	287,222
Cagliari	3,102	285,066
Spezzia	7,269	264,508
Bari	4,853	257,322
Castellammare	8,664	243,621
Trapani	5,329	230,893
La Maddalena	1,874	171,590
Ancona	3,934	171 590
Porto Maurizio	3,583	117,873
Portoferraio	3,068	110,935
Venice	1,571	97,920
Gaeta	2,618	79,736
Rimini	3,562	77,112

The total number of Italian vessels employed in the coasting trade was 167,134, of the aggregate burden of 8,911,707 tons, against 2,125 ships and 552,382 tons under foreign flags; viz.:—

	Ships.	Tons.
French	1,342	347,869
British	366	131,622
Netherlands	78	23,376

The remaining 339 ships and 49,515 tons, belonging to the Austrian, Swedish and Norwegian, United States, Bremen, Belgian, Pontifical, Prussian, Russian, Ottoman, Spanish, Greek, Oldenburg, Portuguese, Moldo-Wallachian, Danish, and Tunisian flags.

842,073 passengers were carried from and to Italian ports; 817,121 on board Italian vessels, 24,603 on board French ships, 160 on board British ships, and 189 on board those of other countries. The passenger traffic by sailing and steam vessels respectively was in the proportion of 1 to 7. The average number of passengers carried by a steamer was 35 Those who went by sailing vessels were only at the rate of 76 passengers to 100 ships.

A comparative view of the amount of shipping employed in Italian trade in each of the years 1867, 1866, 1865, 1864, 1863, 1862, and 1861, is given by the subjoined Table. As the returns for Venice are for the first time included in the statement for 1867, it was necessary for the purpose of comparison with former years, to deduct the figures belonging to that maritime district, and it will be found that I have done so accordingly.

	1867. Including Venice.		1867. Not including Venice.	
	Ships.	Tons.	Ships.	Tons.
Total	211,916	16,392,330	201,201	15,584,482
Foreign trade ..	42,657	6,928,241	34,290	6,256,101
Coasting trade ..	169,259	9,464,089	166,911	9,328,371
Italian	193,034	11,518,972	185,363	11,093,259
Foreign ..	18,882	4,873,358	15,838	4,491,213

	1866.		1865.	
	Ships.	Tons.	Ships.	Tons.
Total	215,074	16,205,680	232,959	16,203,873
Foreign trade ..	37,512	6,718,961	39,282	6,528,464
Coasting trade ..	177,562	9,486,719	193,677	9,675,406
Italian	196,928	11,384,378	213,661	11,640,260
Foreign ..	18,146	4,821,302	19,298	4,563,610

	1864.		1863.	
	Ships.	Tons.	Ships.	Tons.
Total	231,907	16,766,264	240,308	16,620,896
Foreign trade ..	43,264	7,034,042	42,536	6,786,381
Coasting trade ..	188,643	9,732,222	197,772	9,834,515
Italian	208,677	11,468,485	216,053	11,068,225
Foreign ..	23,230	5,297,779	24,255	5,552,671

	1862.		1861.	
	Ships.	Tons.	Ships.	Tons.
Total	214,387	14,297,645	195,699	13,083,350
Foreign trade ..	40,692	5,801,843	34,708	5,085,381
Coasting trade ..	173,695	8,495,802	160,991	7,997,969
Italian	190,550	9,136,529	175,364	8,716,153
Foreign ..	23,837	5,161,116	20,335	4,367,197

The result of the comparison is certainly not very satisfactory, for it will be perceived that while the returns show a rapid increase from 1861 to 1864 they exhibited a decline of navigation since that year. It ought, however, to be borne in mind that the quarantine regulations enforced on account of cholera from time to time during the three years 1865, 1866, and 1867 in Italian ports, operated necessarily as a discouragement to maritime intercourse. The effects of the war of 1866, the financial embarrassments of Italy, and the serious injury to trade which has been occasioned by the forced paper currency must also be taken into consideration.

The passenger traffic by sea, whether between Italian ports or to and from foreign ports during the four years from 1864 to 1867, both inclusive, is shown by the following figures:—

	1864.	1865.	1866.	1867.
Passengers by Italian ships.	1,192,720	995,761	1,278,953	885,444
Ditto by foreign ships ..	112,831	83,794	64,518	100,250
Total	1,395,551	1,079,555	1,343,471	985,694

The twelve undermentioned ports were those in which the greatest activity was displayed.

The aggregate tonnage of all the vessels which entered and left each of them is stated below:—

	Tons.
Genoa	2,330,553
Leghorn	1,577,188
Messina	1,451,152
Naples	1,339,485
Palermo	778,488
Venice	669,518
Catania	441,928
Ancona	372,877
Cagliari	344,239
Castellammare	332,932
Brindisi	302,734
Trapani	264,460

The ports most frequently visited by British vessels were, Genoa (650 ships, 268,561 tons), Naples (494 ships, 210,274 tons), Leghorn (428 ships, 206,602 tons), and Messina (394 ships, 160,648 tons). The French flag showed itself principally in the ports of Genoa (1,540 ships, 399,972 tons), Leghorn (1,349 ships, 294,263 tons), and Messina (775 ships, 552,355 tons).

The relative tonnage of the shipping employed in the foreign trade, and of that which was engaged in the coasting trade of each of the above-mentioned ports, appears from the following figures :—

	Foreign trade.	Coasting trade.
	Tons.	Tons.
Genoa	100	95
Leghorn	100	158
Messina	100	56
Naples	100	109
Palermo	100	111
Venice	100	18
Catania	100	336
Ancona	100	24
Cagliara	100	105
Castellammare	100	65
Trapani	100	242
Brindisi	100	50

In the ports of Genoa, Leghorn, Naples, Palermo, and Ancona, the total tonnage of vessels employed in 1867 was less than the average of the five years 1867, 1866, 1865, 1864, and 1863. At Messina, Cagliari, Venice, and Brindisi, it exceeded the average of the same period. The Returns for Brindisi show a rapid progress since 1863, in which year the total tonnage of vessels arriving and leaving that port amounted to 81,646 tons. In 1864, the amount was 136,980 tons; in 1865, 163,600 tons; in 1866, 250,567 tons; and in 1867, the total rose to 302,734 tons. The navigation of the port of Venice appears also to be increasing. In 1863, there were 623,243 tons of shipping employed; in 1864, 604,876; in 1865, 588,095; in 1866, 604,025; and in 1867, 669,518.

Fisheries.—From 1864 to 1867, there was a diminution in the number of fishing boats annually employed; but, on the other hand, their tonnage increased, as the following statement shows :—

	Boats.	Tons.
1864	745	6,727
1865	820	6,153
1866	566	5,958
1867	605	6,841

These figures, however, do not include the fishing-boats belonging to the district of Venice, which, in 1867, amounted to 1,895 of 14,669 tons, or more than three times the number of the boats which sailed from all the other maritime districts of the kingdom together.

There were engaged in coral-fishing, in 1864, 365 boats of 3,330 tons; in 1865, 411 boats, 3,981 tons; in 1866, 344 boats, 3,629 tons; in 1867, 308 boats, 2,965 tons.

Italian Merchant Navy.—On the 31st of December, 1867, there were registered according to law in the twenty-one maritime districts of the kingdom 134,952 seafaring-men, and 34,499 persons having occupations of a maritime nature. The total inscriptions of 169,451 men was thus divided:—

Long-voyage Captains	3,274
Coasting-trade ditto	2,632
Masters	5,180
Mates	1,099
Seamen and boys	112,226
Engineers	84
Stokers, &c.	555
Deep-sea fishermen	9,912
Coast ditto	18,845
Pilots	246
Boatmen	4,601
Ship-builders	225
Carpenters and caulkers	10,582

The total number of persons belonging to the first class, 134,952, was thus distributed:—

	Total.	Captains.
Liguria	33,536	3,505
Tuscany	8,720	443
Neapolitan Provinces	47,996	1,550
Marches and Romagna	6,540	160
Venetia	11,140	262
Sardinia	2,257	14
Sicily	24,763	629

The merchant fleet at the end of 1867 consisted of 17,690 sailing-ships of 792,430 tons in the aggregate, and 98 steam-vessels of 23,091 tons and 12,259 horse-power; the numbers registered in the several maritime districts being as follows:—

	Sailing-ships.	Tons.	Steamers.	Tons.	Horse-power.
Porto Maurizio ..	444	21,544	4	368	198
Genoa	1,832	351,157	59	13,378	7,439
Spezzia	570	27,061	..	..	..
Leghorn	656	38,028	..	..	..
Portoferraio ..	343	14,140	..	..	..
Gaeta	540	13,180	..	..	..
Naples	2,715	98,392	13	1,846	1,234
Castellammare ..	1,113	56,098	..	..	..
Pizzo	577	3,192	..	..	..
Taranto	755	2,962	..	..	..
Bari	816	21,133	..	..	..
Ancona	912	22,511	5	2,384	809
Rimini	336	8,280	..	..	..
Venice	1,538	46,128	..	..	..
Cagliari	430	2,635	..	..	..
La Maddalena ..	222	748	..	..	..
Messina	571	17,551	1	73	56
Catania	1,183	14,700	..	..	..
Porto Empedocle ..	507	5,242	..	..	..
Trapani	318	8,673	..	..	..
Palermo	1,312	18,895	16	5,042	2,523
Total . ..	17,690	792,430	98	23,091	12,259

The corresponding figures for December 31, 1866, are :—

Sailing-ships	17,621
Tons	741,490
Steamers	99
Tons	22,435
Horse-power	12,044

In the course of the year 1867, 597 sailing-vessels of 69,988 tons, built in Italian yards, 5 of 2,120 tons built by commission in foreign yards, and 46 of 7,495, purchased of foreign owners, were added to the list of the mercantile navy. On the other hand, 148 ships of 3,415 tons were broken up; 118 of 14,734 tons were lost; and 44, of 5,904 tons, were transferred to foreign ownership. During the same period, 2 steam-vessels, the united tonnage and horse-power of which were 449 and 62, 2 of 793 tons and 301 horse-power together, were built by commission in foreign yards, and 3 of 879 tons and 465 horse-power collectively, were acquired by purchase from foreign owners, while 4 of 1,020 tons, and 549 horse-power collectively, lost their Italian nationality by sale to foreigners, and 1 steamer of 67 tons and 40 horse-power was broken up.

The 17,690 sailing-ships on the register at the end of 1867, were classified according to their tonnage as follows :—

	Vessels.
From 1,000 to 801 tons	7
800 to 501 „	170
500 to 401 „	254
400 to 301 „	329
300 to 201 „	521
200 to 101 „	811
100 to 61 „	880
60 to 21 „	2,075
20 to 11 „	1,863
10 to 6 „	1,578
Of less than 6 tons each	9,202

Of the total number of 98 steam-vessels, there were 8 from 700 to 501 tons each, 31 from 500 to 301, 28 from 300 to 101, 27 from 100 to 31, and 4 of less than 31 tons; 27 were built of wood, and 71 of iron; 46 were paddle-wheel, and 49 were screw steamers. Besides which there were 2 described as "of a mixed system" ("a sistema misto"), and 1 "a turbine" (hydraulic pressure ?).

The following statement is given of the number and tonnage of ships (sailing) launched in Italy (not including Venetia) since 1860 :—

	Ships.	Tons.
1860	198	Tonnage not stated.
1861	216	Ditto.
1862	215	25,271
1863	285	37,462
1864	266	38,395
1865	907	58,140
1866	675	59,522
1867	564	69,142
Total for the six years, 1862–67 .	2,912	287,932

The increase of ship-building in Venetia, since its annexation to the Kingdom of Italy, is very remarkable, as may be seen from the annual Returns for that district, including the building-yards of Venice, Pelestrina and Chioggia :—

	Ships built.	Tons.
1860	4	373
1861	5	766
1862	4	884
1863	2	703
1864	1	319
1865	4	1,916
1866	3	832
1867	78	3,115

The cost of building the total number of 642 ships launched in the Kingdom of Italy (including the Venetian district), is estimated at 21,915,129 francs, being at the average rate of 34,136 francs for every ship.

174 wrecks or other casualties are known to have occurred in Italian waters in 1867. Of the vessels lost or injured 135 were Italian, and 39 foreign. The amount of pecuniary loss resulting from these disasters is estimated thus :—

	Francs.
Italian flag—	
Ships	558,578
Cargoes	944,950
Foreign flags—	
Ships	667,600
Cargoes	763,700

Making a total of 2,934,828 francs or 1,226,178 francs for ships, and 1,708,650 francs for cargoes.

41 persons perished ; 30 on board Italian, and 11 on board foreign ships.

80 Italian, and 26 foreign ships were totally lost, the aggregate value of the former being reckoned at 1,341,498 francs, and that of the latter at 1,286,300 francs.

55 Italian and 13 foreign ships were recovered, with damage to the amount, respectively, of 162,030 francs and 145,000 francs.

149 wrecks or other injuries are attributed to the force of the elements, and in 25 cases such disasters are said to have arisen from negligence, want of skill, or accidental circumstances ; 114 Italian and 35 foreign ships belonged to the former, and 21 Italian and 4 foreign ships to the latter.

The number of ascertained casualties among Italian shipping in other parts of the world was 63, with a loss of 2,225,567 francs ; 26 persons perished ; 51 ships were totally wrecked, and 12 were saved.

These misfortunes are stated to have been occasioned, in 50 instances, by the weather, and in 13 instances, by negligence, unskilfulness, or accident.

On examining the wreck register for Italian coasts and waters, I find four British vessels of 1,195 tons collectively mentioned as having been lost, and two others (one of 115 tons and one of 88 tons) reported to have been recovered. In none of these cases does it appear that there was any want of proper care.

Trade.

The Customs Returns for the first six months of 1868 show a diminished importation, and a slightly increased exportation of the principal articles of commerce, as compared with the imports and exports of the corresponding period of 1867.

Under the head of imports there appears a falling-off in wine. Olive-oil, cocoa, pepper, oil-seeds, cheese, horses, cattle, sheep, &c.; hides and leather, hemp and flax, linen manufactures, cotton manufactures, wool and woollen manufactures, sundry silk manufactures, wheat and other grain, flour, paper, rags, iron, lead, sulphur, coals, pottery.

On the other hand, there was an increased importation of brandy, vegetable oils (except olive), petroleum, coffee, sugar, chemical products, dye stuffs, wax, soap, fish, raw cotton, various silk manufactures, oats, charcoal and firewood, machinery, glass.

The following articles were exported in larger quantities:—Oil, preserves, sweets, &c.; lemon-juice, &c.; soda, soap, seeds, cheese, fish, sheep and pigs, leather, hemp and flax, cordage, cotton manufactures, silk cocoons, raw silk, silk manufactures, corn, chestnuts, rice, flour, paste, rags, iron, copper ore, marble, pottery.

Those of which the exportation decreased were—wine, salt, boracic acid, dye stuffs, fruits, both fresh and dried; almonds, hides, linen manufactures, charcoal, firewood, paper, bones, iron ore, lead, sulphur.

The above list contains the most important items. The subjoined figures show the actual amount, together with the increase or decrease of the importation or exportation of every article specified.

IMPORTS.

		Quantities Imported in			
		First Six Months, 1868.	First Six Months, 1867.	Increase.	Decrease.
Wine	Litres	5,808,801	9,472,290	...	3,663,489
Brandy	„	7,515,215	7,172,394	343,821	...
Oil, olive	Kilos.	1,084,668	2,543,409	...	1,458,741
„ various, not mineral	„	6,076,920	3,352,850	2,724,070	...
Petroleum, &c.	„	13,630,892	7,398,742	6,232,150	...
Cocoa	„	277,059	284,014	...	6,255
Coffee	„	5,852,662	5,457,519	395,143	...
Cloves	„	5,978	8,280	...	2,302
Pepper and Pimento	„	404,224	446,444	...	42,220
Sugar	„	30,744,602	25,797,064	4,947,538	...
Chemical products	„	7,608,398	6,916,484	691,914	...
Colours	„	765,116	772,075	...	6,959
Dye stuffs, &c.	„	6,522,617	6,404,230	118,387	...
Wax	„	222,999	373,525	...	2,869
	Francs	457,345	237,875	219,470	...
Soap	Kilos.	653,097	531,070	122,027	...
Oil seeds	„	143,701	1,024,199	...	880,498
Cheese	„	2,403,613	2,450,033	...	46,420
Fish	„	11,974,740	9,569,949	2,407,791	...
Horses and mules	Head	4,106	5,377	...	1,201
Oxen and bulls	„	1,937	4,081	...	2,144
Cows	„	1,082	3,090	...	2,008
Bullocks and heifers	„	1,276	3,304	...	2,028
Calves	„	2,698	3,948	...	1,250
Sheep	„	23,036	23,321	...	285
Pigs weighing more than 20 kilos.	„	887	614	273	...
„ „ less than 20 kilos.	„	1,268	2,282	...	1,014
Hides and skins, raw	Kilos.	3,681,236	4,759,532	...	1,078,296
„ tanned and dressed	„	321,057	468,153	...	147,096
„ various	„	71,071	112,614	...	41,543
„ worked	„	47,534	474,402	...	426,868
	Francs	1,826	8,512	...	6,686
Peltry	Kilos.	40,613	31,578	9,035	...
Hemp and flax	„	106,596	214,096	...	107,500
Linen yarn	„	1,423,166	1,664,114	...	240,948
„ cloths	„	515,072	959,282	...	444,210
	Francs	79,786	98,239	...	18,453
„ other manufactures	Kilos.	88,741	87,550	1,191	...
Cotton, raw	„	6,793,819	4,090,981	2,702,838	...
„ yarn	„	3,880,735	4,211,923	...	331,188
„ tissues	„	4,135,714	4,737,843	...	602,129
	Francs	112,233	122,828	...	10,595
„ other manufactures	Kilos.	172,891	241,642	...	68,751
Wool	„	2,487,932	2,538,704	...	50,772
Woollen yarns	„	67,471	72,609	...	5,138
„ tissues	„	571,575	1,681,746	...	859,830
	Francs	7,246,752	7,371,225	...	124,473
„ other manufactures	Kilos.	152,501	183,361	...	30,860
Silk, raw or thrown	„	202,004	211,002	...	8,998
„ dyed	„	2,465	3,584	...	1,119
„ waste	„	80,621	38,891	41,730	...
„ tissues	„	63,572	85,958	...	22,386
	Francs	3,567	9,456	...	5,888
„ other manufactures	Kilos.	15,298	12,204	3,094	...
	Francs	614,162	378,707	235,455	...
Wheat	Kilos.	104,180,503	175,781,652	...	71,601,149
Other grain	„	5,753,591	11,267,262	...	5,513,671
Oats	„	1,807,771	1,135,770	672,001	...
Flour	„	714,066	5,616,459	...	4,902,393
Charcoal	„	8,861,883	7,365,652	1,496 231	...
Firewood	„	16,637,054	10,733,694	5,900,360	...
Furniture woods	„	820,809	815,385	5,424	...
Furniture, &c.	„	92,053	106,513	...	14,460
	Francs	23,658	22,901	757	...
Wooden utensils	Kilos.	75,727	147,720	...	71,993
	Francs	29,591	34,033	...	4,442
Paper	Kilos.	506,596	668,818	...	162,222
Paper hangings	„	120,477	239,500	...	119,023
Books	„	155,287	154,282	1,005	...
Mercery and hardware	„	677,177	1,098,404	...	421,227
Machinery	„	3,707,627	3,413,265	294,362	...
	Francs	728,033	387,102	340,931	...
Millinery, &c.	Kilos.	1,297	1,687	...	390
	„	2,579	3,831	...	1,252
	Francs	242,529	331,139	...	88,610
Rags	Kilos.	667,756	866.294	...	218,538
Iron, cast, not worked	„	5,819,149	11,532,528	...	5,713,379

	Quantities Imported in			
	First Six Months 1868.	First Six Months, 1867.	Increase.	Decrease.
Iron, cast, worked ... ... Kilos	1,455,296	2,100,746	...	549,628
„ „ railway chairs ... ... „	36,422	38,476	...	2,054
„ ore ... ... „	2,369,127	3,449,106	...	1,079,979
„ malleable, of the 1st fabrication ... „	21,105,833	21,547,932	...	442,099
„ „ worked ... ... „	9,171,788	11,560,607	...	2,388,819
„ „ nails ... ... „	2,248,113	3,679,234	...	1,431,121
Copper and brass, unwrought ... „	377,691	504,107	...	126,416
„ „ wrought ... „	858,946	725,519	133,327	...
Lead, unwrought ... ... „	1,219,365	1,990,534	...	771,169
„ wrought ... ... „	136,757	172,194	...	35,437
Sulphur ... ... „	123,895	439,352	...	315,457
Coals ... ... „	225,447,447	253,712,682	...	28,265,235
Earthenware ... ... „	1,202,085	1,219,150	...	17,065
Porcelain ... ... „	150,949	155,743	4,206	...
Glass ... ... „	8,504,448	6,701,717	1,802,731	...
Vitrifactions ... ... „	11,333	40,294	...	28,961

Exports.

	Quantities Exported in			
	First Six Months, 1868.	First Six Months, 1867.	Increase.	Decrease.
Wine ... ... Litres	10,704,226	15,734,580	...	5,030,354
Oil, olive ... ... Kilos.	28,915,801	22,838,521	6,077,280	...
„ volatile, &c. ... ... „	186,040	131,002	57,038	...
Confectionery and preserves ... „	539,787	33,187	556,600	...
Juices, lemon ... ... „	1,697,016	1,425,008	272,008	...
„ „ manna ... ... „	106,835	87,733	19,101	...
„ unspecified ... ... „	538,337	503,207	35,130	...
Liquorice root ... ... „	14,819	16,252	...	1,433
Lemon and orange peel ... ... „	64,984	44,513	20,471	...
Soda ... ... „	423,886	218,365	205,521	...
Salt, sea ... ... „	26,031,557	55,484,584	...	20,453,027
„ rock ... ... „	322,255	3,264,944	...	2,942,689
„ of tartar ... ... „	1,506,876	1,197,293	309,583	...
Boracic acid ... ... „	178,013	1,373,678	...	1,195,665
Other chemical products ... ... „	564,839	651,567	...	86,728
Dye stuffs, unground ... ... „	4,228,979	6,085,434	...	1,856,455
„ ground ... ... „	6,976,846	7,725,298	...	748,452
Soap ... ... „	185,035	76,353	108,682	...
Acid fruits ... ... „	38,116,162	43,009,086	...	4,892,924
Dried fruits ... ... „	816,351	1,064,495	...	248,144
Almonds in the shell ... ... „	90,767	245,471	...	154,704
„ without shells ... ... „	924,309	1,583,321	...	659,012
Seeds ... ... „	8,386,585	6,693,114	1,693,471	...
Meat ... ... „	2,340,220	2,331,876	8,344	...
Cheese ... ... „	1,272,253	1,098,269	173,984	...
Fish ... ... „	759,342	748,230	11,112	...
Horses and mules ... ... Head	539	710	...	171
Oxen and bulls ... ... „	28,375	30,225	...	1,850
Cows ... ... „	9,374	8,297	1,077	...
Bullocks and heifers ... ... „	3,063	2,065	998	...
Calves ... ... „	9,110	9,036	74	...
Sheep ... ... „	73,739	47,520	26,219	...
Pigs, weighing more than 20 kilos. ... „	33,472	24,762	8,710	...
„ „ less than 20 kilos. ... „	9,688	12,574	...	2,886
Hides, raw ... ... Kilos.	1,130,268	1,366,059	...	235,791
Leather ... ... „	292,176	271,100	21,076	...
Hemp and flax ... ... „	17,841,082	11,654,938	5,186,144	...
Cordage ... ... „	1,173,036	777,750	395,286	...
Linen cloths ... ... „	369,604	408,238	...	38,634
Cotton yarn ... ... „	6,753	4,806	1,947	...
„ tissues ... ... „	43,807	36,334	7,473	...
Cocoons ... ... „	138,342	107,875	30,467	...
Silk, raw and thrown ... ... „	1,009,367	891,967	117,400	...
„ dyed ... ... „	12,354	8,492	3,862	...
„ waste ... ... „	1,024,827	546,724	478,103	...
„ tissues ... ... „	23,399	13,890	9,509	...
Wheat ... ... „	46,866,978	17,953,200	28,913,778	...
Grain ... ... „	43,225,669	24,721,791	18,503,878	...
Chestnuts ... ... „	1,708,620	1,359,807	348,813	...

		Quantities Exported in			
		First Six Months, 1868.	First Six Months, 1867.	Increase.	Decrease.
Rice in the husk	Kilos	3,307,353	2,794,706	512,647	...
„ not in the husk	„	41,699,719	32,474,214	9,225,505	...
Flour	„	13,851,763	6,892,640	6,959,123	...
Paste	„	3,158,749	2,906,923	251,826	...
Charcoal	„	20,761,040	21,895,144	...	1,134,104
Firewood	„	2,892,418	5,436,685	...	2,544,267
Cork	„	451,480	614,071	...	162,591
Paper	„	1,570,693	2,231,173	...	660,480
Books	„	54,865	58,587	...	3,722
Rags	„	305,960	218,185	87,775	...
Bones	„	3,007,977	3,312,394	...	304,417
Plaitings of straw and other materials	„	6,508,143	6,190,559	317,584	...
Iron, ore	„	158,172	161,368	...	3,196
„ broken, &c.	„	13,533,190	20,077,734	...	6,544,544
Copper ore	„	1,367,333	1,168,558	198,875	...
Lead ore	„	3,075,203	2,069,198	1,006,006	...
„ in pigs or broken	„	11,690,653	13,381,552	...	1,690,899
Marble	„	995,388	1,241,072	...	245,684
Sulphur	„	39,371,675	29,741,450	9,630,225	...
Pottery, common	„	115,495,154	122,688,232	...	7,193,078
		823,696	758,943	64,753	...

The Customs receipts in each of the two periods above-mentioned were as follows :—

	Import Duties.	Export Duties.	Total.
	Francs.	Francs.	Francs.
First six months, 1867 ..	26,628,070	4,272,428	30,900,498
„ „ 1868 ..	23,405,782	4,329,334	27,735,116

These figures show under the head of import duties a decrease of 3,222,288 francs in 1868, an increase of 56,906 francs under the head of export duties, and a total decrease amounting to 3,165,382 francs. Some improvement, however, took place in the next six months, and the accounts for the year ending December 31, 1868, exhibit an increase of 1,789,066 francs in the Customs receipts as compared with those of the preceding year.

I have further the satisfaction of reporting that trade has been active at the principal ports—and particularly at Genoa and Naples—during the month of January of the present year.

With a view to facilitate commercial operations, a new mode of transacting business at the Custom-houses has been introduced. According to the system hitherto in force, it was necessary that ships' manifests and importers' declarations should be copied several times into different registers before goods could be cleared. By the new regulations all this useless writing, which occasioned

great loss of time, will be dispensed with. The clearance of goods will be effected on the presentation of a duplicate declaration—one copy to be kept by the merchant, and the other deposited at the Custom-house.

A Treaty of Commerce, which was concluded last year between Italy and Switzerland, has received the approval of the Chamber of Deputies.

By this Treaty a few concessions of no very great importance are granted on both sides, in addition to the advantages enjoyed by the most-favoured nations in each country.

Italy obtains the following reductions of duty on importation into Switzerland :—

	Frs.	c.	Frs.	c.	
On fruit, from ..	3	50	to 2	0	per Swiss quintal.
Straw hats ..	15	0	to 8	0	„
Paste	3	50	to 2	0	„
Marble statues ..	16	0	to 3	0	per 100 kilos.

Two articles of Swiss production—sugar of milk and rough wood-work to be used in building—are admitted into Italy free of duty, and twenty others at reduced rates, viz. :—

Leaden pipes and shot, 1 fr. 50 c. instead of 3 fr. per 100 kilos.
Goldsmiths' work and jewellery, 3 per cent. instead of 5 per cent., *ad valorem*.
Watches not in gold cases, 1 fr., instead of 1 fr. 15 c. each.
Watches, repeaters, 3 fr., instead of 4 fr. 60 c. each.
Table clocks, 3 fr., instead of 3 fr. each.
Musical boxes, 2 fr., instead of 3 fr. each.
Works of watches, 25 c., instead of 35 c.
Works of clocks, 50 fr., instead of 57 fr. 75 c. per 100 kilos.
Parts of clocks or watches, 20 fr., instead of 23 fr. 10 c., per 100 kilos.
Linen yarns, single, bleached or unbleached, 11 fr. 50 c., instead of 11 fr. 55c., per 100 kilos.
Linen, dyed, 17 fr. 10 c., instead of 23 fr. 10 c., per 100 kilos.
Earthenware, 2 fr., instead of 3 fr. 45 c., per 100 kilos.
Dried fruits, 2 fr., instead of 8 fr., per 100 kilos.
Horses, 6 fr., instead of 15 fr., per head.
Mules, 3 fr., instead of 5 fr. per head.
Marble and alabaster, 50 c., instead of 1 fr., per 100 kilos.
Marble and alabaster, 75 c., instead of 1 fr. 75 c., per 100 kilos.
Brushes, common, 15 fr., instead of 50 fr.

The two Contracting Parties bind themselves not to prohibit or impede the importation or exportation of cereals and cattle or other animals, except in the case

of murrain, or when either country is obliged to make preparations for war.

They undertake to encourage the construction of railways across the Alps.

Commercial travellers are to be exempt from license duty, and the patterns which they bring with them will be admitted temporarily free of duty.

Articles of gold or silver imported from Switzerland into Italy, may be marked at certain places on the frontier, and the stamp duty is not to exceed 80 francs per kilogramme.

There are several other stipulations which it does not seem necessary to mention.

Finance.

The receipts and expenditure for the financial year 1868, were fixed by law as follows:—

ORDINARY RECEIPTS.

	Francs.	c.
Land and house taxes	158,622,295	0
Income tax	72,843,771	35
Assessed taxes (carriages, public and private, and servants)	3,567,000	0
Succession duty	12,500,000	0
Tax on corporate property	5,400,000	0
Tax on commercial and industrial companies..	973,820	0
Tax on railway receipts	5,400,000	0
Registration duties	28,500,000	0
Mortgage do.	4,250,000	0
Stamp do.	24,753,950	0
Customs and maritime dues	77,660,000	0
Consumption duties	62,868,526	0
Tobacco monopoly	94,000,000	0
Salt do.	66,000,000	0
Gunpowder do.	2,800,000	0
Lottery	60,000,000	0
Revenue derived from State property, and from property administered by the State ..	19,073,836	89
Post-office	15,500,000	0
Telegraphs	6,139,700	0
Miscellaneous and eventual receipts ..	11,817,224	50
Repayments, &c.	33,924,191	22
Total ordinary receipts	766,594,314	96
Extraordinary receipts	13,293,705	75
Grand total	779,888,020	71

Expenditure.

Ordinary.

	Francs	c.	Francs.	c.
Interest of national debt—				
Consolidated debt ..	262,410,621	4		
Redeemable do. ..	66,461,634	82		
Debt not included in the Great Book . ..	27,942,339	20		
Variable debt (pensions, railway guarantees, &c.	149,303,125	0		
Total debt			506,117,720	6
Expenses of management			1,740,536	0
Civil list of the Crown, and establishments of Princes of the Royal family			13,750,000	0
Expenses of the Senate and Chamber of Deputies			805,000	0
Departments of—				
Finance			98,135,591	64
Grace and Justice, and Public Worship ..			29,612,036	50
Foreign Affairs			4,717,310	0
Public Instruction			15,250,992	82
Interior			43,145,238	58
Public Works			38,213,200	0
War			147,316,360	0
Marine			27,853,421	64
Agriculture, Industry, and Commerce ..			4,006,794	67
Total ordinary expenditure ..			930,664,501	91

Extraordinary Expenses.

Finance Department			19,932,196	63
Grace and Justice, and Public Worship ..			1,815,129	20
Foreign Affairs			105,972	49
Public Instruction			276,401	17
Interior			2,584,785	41
Public Works			18,783,704	71
War			14,885,740	0
Marine			7,274,767	70
Agriculture, Industry, and Commerce ..			1,642,248	69
Total extraordinary			67,300,946	0

SUMMARY.

Receipts.

	Francs.	c.
Land and house taxes	158,622,295	0
Income tax	72,843,771	35
Assessed taxes	3,567,000	0
Succession and registration duties, stamps, &c.	81,777,770	0
Customs, &c.	77,660,000	0
Consumption duties	62,868,526	0
Monopolies	162,800,000	0
Lottery	60,000,000	0
State property, &c.	19,073,836	89
Post Office and other public services ..	31,679,561	50
Repayments and other eventual receipts..	35,701,554	22
Total ordinary revenue	766,594,314	96
Extraordinary receipts	13,293,705	75
Grand total	779,888,020	71

Expenditure.

	Ordinary.		Extraordinary.		Total.	
	Francs.	c.	Francs.	c.	Francs.	c.
Interest of debt, pensions, guarantees, civil list, Parliament, &c.	520,672,720	6	14,931,389	63	535,604,109	69
Finance Department—Collection of revenue, management of debt, &c. ..	99,876,127	64	5,000,807	0	105,876,934	64
Justice and Public Worship	29,612,036	50	1,815,129	20	31,427,165	70
Foreign Affairs	4,717,310	0	105,972	49	4,823,282	49
Public Instruction	15,250,992	82	276,401	17	15,527,393	99
Interior	43,145,238	58	2,584,785	41	45,730,023	99
Public Works	38,213,200	0	18,783,704	71	56,996,904	71
War	147,316,360	0	14,885,740	0	162,202,100	0
Marine	27,853,421	64	7,274,767	70	35,128,189	34
Agriculture, Industry, and Commerce ..	4,006,794	67	1,642,248	69	5,649,043	36
Total	930,664,501	91	67,300,946	0	997,965,447	91

	Francs.	c.
Total estimated Expenditure	997,965,447	91
Total estimated Receipts	779,888,020	71
Deficit	218,077,427	20

The latest Returns of the actual receipts in different branches of revenue during the years 1867 and 1868, show the following results :—

	Year ending December 31		Increase.	Decrease.
	1867.	1868.		
	Francs c.	Francs c.	Francs c.	Francs c.
Customs	70,982,180 25	72,771,246 29	1,789,066 4	...
Maritime dues	2,013,735 93	1,910,937 81	...	132,798 12
Consumption duties	44,974,354 69	51,781,534 14	6,807,179 45	...
Tobacco	93,733,316 76	95,705,846 83	1,972,530 7	...
Salt	66,513,919 60	72,150,039 29	5,606,119 69	...
Gunpowder	2,784,950 31	2,487,879 38	...	297,070 93
Total	281,062,457 54	296,807,483 74	16,174,895 25	429,869 5
Deduct decrease ...	...	...	429,869 5	
Total increase	...	...	15,745,026 20	

	Ten Months ending November 30		Increase.	Decrease.
	1867.	1868.		
	Francs c.	Francs c.	Francs. c.	Francs c.
Succession duties	10,647,595 12	11,894,367 18	1,246,772 6	...
Taxes on Corporate property ...	2,755,766 23	2,016,726 10	...	739,040 13
Ditto on Commercial Companies	815,850 95	854,461 78	38,610 83	...
Registration of deeds, &c. ...	22,145,621 53	28,251,276 12	6,105,654 59	...
Ditto Judicial sentences	3,937,050 70	3,859,874 7	...	77,176 63
Mortgage duties	3,686,635 41	4,350,533 32	663,897 91	...
Stamps	22,997,300 13	23,837,461 4	840,160 91	...
State property, &c.	22,228,572 54	18,361,905 99	...	3,866,666 55
Miscellaneous	8,597,985 91	9,214,687 53	616,701 62	...
Total	97,812,378 52	102,641,293 13	9,511,797 92	4,682,883 31
Deduct decrease	...	...	4,682,883 31	
			4,828,914 61	
Arrears of ordinary revenue collected	5,701,668 31	7,767,183 18		
Extraordinary receipts	...	4,514,021 53		

(Signed) EDWARD HERRIES

Central American Republics.

Reports by Mr. Corbett, Her Majesty's Chargé d'Affaires, on the Financial Position of the Republics of Guatemala, Salvador, and Costa Rica.

Mr. Corbett to the Earl of Clarendon.

My Lord, *Guatemala, January* 31, 1869.

With reference to Lord Stanley's circular of the 26th November, 1866, I have the honour to transmit such authentic information as I have been able to procure relative to the financial position of the Republics of Guatemala, Salvador, and Costa Rica.

I have been unable to procure any information on this subject from the Governments of Nicaragua and Honduras.

(Signed) EDWIN CORBETT.

Inclosure.

Reports on the Financial Positions of the Republics of Guatemala, Salvador, and Costa Rica.

GUATEMALA.

The statement of the income and expenditure of this State for the year 1868, as published by the Government, shows that the—

	Dollars.	rls.
Income amounted to	956,723	$4\frac{3}{4}$
Expenditure to	956,713	$6\frac{3}{4}$
Balance in favour	9	6

A result that at once points out the unsatisfactory pecuniary position of the Republic.

The income was derived from the following sources :—

	Dollars.	rls.
Inland Revenue, net proceeds ..	340,234	2½
Duties on foreign importations, do. ..	326,045	7¾
Post Office	2,069	5¼
Loans	263,048	6
Sundries	9,071	1
Total	956,723	4¾

Equal to 191,344*l.* 14*s.* 4½*d.**

The expenditures are thus exhibited :—

	Dollars.	rls.
Government and House of Representatives ..	32,982	3
Tribunals of Justice	27,355	3
Treasury and Mint	12,834	2½
Legations	5,733	2½
Army	194,662	2¼
Premiums on exports	43,839	1½
Interest on debt due, British creditors	23,268	6
Payments of loans	382,152	4¾
Liquidation of Interests	126,645	1¾
„ Three per Cent. Bonds . ..	14,502	1½
„ Loan of June 1863, and interest .	7,367	0½
Sundries, Pensions, Subsidies to University and Charitable Institutions, Extraordinaries, Panama Steam Ship Company, &c.	85,371	1½
Total	956,713	6¾

Equal to 191,342*l.* 15*s.* 4½*d.*

It is impossible to give any account of the public debt that the Government is burthened with ; but the amount can be recognized at once as heavy, from the large sums that have been paid during the last year for loans and interests ; while the high amount to which the newly-contracted loans ascend, points out the great difficulty the Government have in meeting the ordinary calls upon them. These loans, it is pretty well known, are only at short periods and a high rate of interest : a system that must render their position worse and worse, and, apparently, only to be avoided by the negotiation of a loan abroad, which they have hitherto failed to effect, as the terms they have proposed to capitalists have not been such as they were willing to accept. An agent has, however, lately been sent to Europe with instructions to borrow money on such terms as, it is hoped, will be acceptable. Meanwhile, the income derived from the called sources

* The exchange is 5 dollars to the pound sterling.

of revenue shows a decrease of nearly 30,000*l.* on the corresponding receipts of the previous year. In such a condition of affairs it is not surprising that but little was done during the year 1868 in the way of public works, improvement of roads, &c. Public instruction, too, is sadly neglected, and receives little aid from the Government, though this, doubtless, proceeds from disinclination rather than from the present inability to render assistance, since it has ever been the policy of those in power to prevent the education of the masses.

SALVADOR.

The amount voted by the Congress for the year's expenditure at the commencement of 1868, was exceeded by the actual sum received, by 17,472 dollars 33 cents,* equal to 3,495*l.* 9*s.* 4½*d.*

The total revenue of the State during the same year, was 938,412 dollars 50 cents, obtained as follows:—

			Dollars.	c.
Balance due Treasury in cash, debts and notes, existing stock and cash			223,832	39
Duties derived from foreign trade			378,174	68
Inland Revenue and Tax Office			131,994	73
Monopolies			173,006	25
Post Office	11,773	68		
University	3,573	18		
Printing office	665	87		
Sundries	2,156	57		
			18,169	30
Sundries not pre-supposed by the Congress as sales of merchandize, voluntary loans, &c.			13,235	15
Total			938,412	50

Equal to 187,682*l.* 10*s.**

The expenditure during the same year, was less than the sum estimated, by 6,942 dollars 96 cents, equal to 1,388*l.* 11*s.* 10*d.*, and was as follows:—

	Dollars.	c.
The Legislative, Executive, and Judicial Bodies	58,988	57
Governors of Departments	14,433	95
Army and Militia expenses	181,029	79
Diplomatic Corps	11,343	40
Public Works and National Palace	107,823	36
Interest on Consolidated Debt	47,702	55
Liquidation of ditto	39,413	48

* Exchange, 5 dollars to the pound sterling.

			Dollars	c.
Public Instruction			23,171	90
University and Colleges			15,648	47
Sundries, Custom-house and Inland Revenue Offices, Revenue Force, Police, Pensions, Post Office, Extra			161,418	87
Items not provided for—				
Arms and ammunition	22,151	89		
Liquidation of loans	7,546	49		
Purchase of merchandize	2,901	41		
Shares in Wharf Company	6,000	0		
Liquidation of privileges granted	9,650	26		
Sundries	27,956	33		
			76,206	38
Total			737,180	72

Equal to 147,436*l.* 2*s.* 11*d.*

Leaving an excess of income over expenditure, of 201,231 dollars 78 cents, equal to 40,246*l.* 7*s.* 1*d.*

This balance consists of :—

	Dollars.	c.
Cash	24,415	29
Merchandize	1,900	6
Gunpowder, saltpetre, and tobacco	116,461	52
Debts recoverable in cash	26,467	59
„ „ Government notes	18,776	4
„ Balances of accounts	13,211	28
Total	201,231	78

The liabilities of the State to be placed against this balance are :—

	Dollars.	c.
Panama Steam ship Company and Guatemalan Bondholders	94,211	44
Civil and military salaries due	18,357	75
The Church	3,060	0
Voluntary loans	338	95
Purchase of estates	2,000	0
Public schools	107	11
Deposits	1,108	35
Pensions and house rents	620	09
Powder and saltpetre contracts	21,440	0
Total	141,243	69

The result of which is, that the actual balance in favour of the Treasury is 59,988 dollars 9 cents, equal to 11,997*l.* 12*s.* 4½*d.*; whereas, at the end of the previous year 1867, there was a debit-balance of 13,227*l.* 16*s.*

The revenue—

	Dollars.	c.
For the year 1867 was	832,150	79
And that for 1868	938,412	50
Increase during latter year ..	106,261	71

Equal to 21,252*l.* 6*s.* 10*d.*

The Public Debt.

The Consolidated Debt has increased—

	Dollars.	c.
During 1868	11,124	50
Since Government notes were issued during the year to the amount of ..	50,558	0
While those taken up amounted to ..	39,413	50
Total	11,124	50

Equal to 2,224*l.* 18*s.*

An increase not anticipated at the end of the year 1867.

The total amount of notes in circulation at the end of 1868, was 705,505 dollars, equal to 141,101*l.*

The Foreign Debt, however, has been diminished, it being—

	£	*s.*	*d.*
In 1867	22,769	6	0
And amounting in 1868 to . ..	18,842	5	9
Decrease	3,927	0	3

Total amount of debt at end of 1868—

	£	*s.*	*d.*	£	*s.*	*d.*
Foreign debt ..	18,842	5	9			
Consolidated debt ..	141,101	0	0			
				159,943	5	9

Total amount of debt in 1867—

Foreign debt ..	22,769	6	0			
Consolidated debt ..	138,876	2	0			
				161,645	8	0
Total decrease				1,702	2	3

COSTA RICA.

From the accompanying Table No. 1 it will be observed that the income of this State during the year ended 30th of April, 1868—

	Dollars.	c.
Amounted to	1,501,785	94
And the expenditure during the same year to .	1,594,427	40
Showing a deficit balance of . ..	92,641	46

Equal to 16,547*l.* 3*s.* 2½*d.**

This deficit has been added to the Government debt as owed to the National Bank.

Notwithstanding this debit balance, however, during the year in question Table No. 2 exhibits an actual balance in favour of the Government to the amount of 79,371 dollars 83½ cents, equal to 14,170*l.* 6*s.* 9*d.**

The amount of income voted at the commencement of the year did not reach the actual income received by 245,319 dollars 28 cents, equal to 43,807*l.* 2*s.* 10*d.* And the actual expenditure exceeded the expenses calculated by 271,328 dollars, equal to 48,451*l.* 8*s.* 6½*d.*

The duties on the importation of foreign articles were less than the amount counted upon by 91,051 dollars 68 cents, equal to 16,259*l.* 7*s.* 10*d.*, while the impost on the exportation of coffee exceeded the sum pre-supposed by 44,337 dollars 6 cents, equal to 7,917*l.* 6*s.* 5*d.*

Although at first it would thus appear that the agriculturists of the country are in a thriving condition, such is not really the case, on account of the high price of labour, and expense on the export of coffee, and so severely has the fall in the price of this article in foreign markets been felt that the Government have already lowered by one-half the tax on its export, and public opinion shows itself in favour of suppressing it altogether.

The net disposable funds received during the year 1867–68 on which to form a basis for the amount to be voted for the expenses of the financial year 1868-69 amounted to 766,212 dollars 3¾ cents. The sum voted by Congress was 962,220 dollars. That voted for 1867-68 was 1,056,466 dollars. The foreign debt is owed to Peru and amounts to 104,500 dollars. All the other liabilities of the State, with the exception of the small sum of 3,052 dollars 50 cents are internal. During the year in question 91,890 dollars 1 cent were paid towards the liquidation of the public debt.

* Exchange, 5·60 dollars to the pound sterling.

Table No. 1.

Income.	Pre-supposed amounts.		Amounts received.	
	Dollars.	c.	Dollars.	c.
Cash in hand	11,466	66	11,466	66
Bills receivable	95,000	0	95,000	0
Proceeds of sales of—				
Tobacco (gross amount)	272,000	0	256,641	86
Liquors (ditto)	360,000	0	403,618	78
Gunpowder (ditto)	5,500	0	5,234	25
Stamped paper	12,000	0	14,058	49
Proceeds of—				
Post Office	12,000	0	10,143	50
Inland revenue	50,000	0	38,113	48
Subsidies	12,000	0	13,578	64
Tax on coffee exported	50,000	0	94,337	6
Duties on foreign imports	345,000	0	253,948	32
Courts of Justice dues	6,500	0	6,650	83
Licences	11,000	0	11,861	45
Church funds consolidated	12,000	0	11,740	93
Bullion Office and Mint	..		144,834	88
Sale of beer	..		4,714	21
Fines on cattle	..		845	62
Public lands and titles	..		7,275	98
Tobacco lands	..		295	15
Rents	..		170	0
Sale of books	..		180	75
National Bank dividends	..		12,635	10
Received of Mr. Thomson	..		104,440	0
Difference	245,319	28	..	
Total	1,501,785	94	1,501,785	94

Expenditure.	Pre-supposed amounts.		Amounts paid.	
	Dollars.	c.	Dollars.	c.
Government House of Representatives, the provinces, &c.	112,087	0	111,717	78
Courts of Justice	46,126	0	46,251	72
War Department	175,511	39	131,547	54
Public Works Department	210,940	0	199,116	23
Custom House and Government offices ..	378,808	0	525,950	49
Diplomatic and Consular Bodies	11,404	0	12,956	83
The Church	15,252	0	15,416	69
Public instruction	70,260	0	10,260	0
Expenses of the monoplies	200,000	0	244,623	27
Payment and part liquidation of debt ..	102,711	0	91,890	1
Brewery	..		7,557	89
Advances made, as per contract, for sugar, &c., for distillery	..		8,612	0
Municipality of San José	..		80,182	79
Paid Mr. Thomson	..		108,344	0
Difference	271,328	1	..	
Total	1,594,427	40	1,594,427	40

The exchange is 5·60 dollars to the pound sterling.

Table No. 2.

Position of the Public Treasury on the 30th April, 1868.

Cr.	Dollars.	c.		Dollars.	c. *Dr.*
Capital in National Bank ..	300,900	00	Bills payable	149,922	4½
,, in bills in do. ..	80,692	61	John Thomson	3,052	50
Tobacco (existing) ..	38,589	4	Peruvian Government ..	104,500	0
Liquors	69,550	32	"Banco Nacional" ..	92,602	98
,, in puntarenas ..	3,217	0	For sugar for distilling ..	8,814	37
Gunpowder	2,085	0	Consolidated Church funds.	19,687	93¼
Bullion	1,659	88	University of San José ..	80,500	6¼
Beer	3,703	78	Balance	79,371	83½
Tobacco lands	5,336	68¾			
Public land	32,717	40¾			
Total	538,451	72½	Total	538,451	72½

(Signed) EDWIN CORBETT.

Greece.

Report by Mr. Herbert, Third Secretary of Legation, on the Greek Budgets for 1868 *and* 1869.

Mr. Herbert to Mr. Erskine.

Sir, *Athens, March* 20, 1869.

I HAVE the honour to submit herewith a Report which, in conformity with your instructions, I have prepared on the Greek Budgets for 1868 and 1869.

The various amounts which have been treated by me in this Report are taken almost exclusively from papers issued under authority of the Government, but where I have found it impossible to reconcile official statements apparently contradictory, I have selected those figures which seemed to me least likely to be fallacious; but I deem it my duty to add that a strong impression has been forcing itself upon me more and more every day that the figures which form the basis of the Greek estimates, and consequently of this Report, although official, ought hardly to be considered authentic.

With regard to many points that would be interesting at the present time, I regret that I have only been able to procure on some but meagre information, on others none at all, and I fear that my experience of the country may not have sufficed to enable me to make the best use of such information as was obtainable.

I have, &c.

(Signed) EDWARD HERBERT.

Inclosure.

Report.

Athens, March 19, 1869.

THE Greek Constitution provides that the Chamber of Deputies, unless specially convoked earlier, shall meet on

the 1st of November, and that Ministers shall submit the budget for the ensuing year in the course of the first two months of the session.

Accordingly in November 1867 the Ministry of M. Koumoundouros proposed a Budget for 1868 showing an ordinary expenditure of 33,521,404 drachmas* (1,197,193*l.*), and an extraordinary of 13,145,000 drachmas (469,464*l.*), making a total sum of 46,666,404 drachmas (1,666,657*l.*).

The extraordinary expenditure consisted of two votes, viz., 8,885,000 drachmas for the army, and 4,260,000 drachmas for the navy.

They estimated the ordinary revenue at 33,445,000 drachmas (1,194,464*l.*), and the extraordinary, to be produced by two loans, at 13,300,000 (475,000*l.*), making a total of 46,745,000 drachmas (1,669,464*l.*), showing a surplus of ways and means for the year amounting to 78,596 drachmas (2,807*l.*).

On the 31st December, 1867, however, the Ministry of M. Koumoundouros resigned, without having passed the estimates, and was followed by the Ministry presided over by M. Moraitini, which did not think it necessary to carry through the Budget of their predecessors, or to substitute another, but prorogued the Chamber; and in the course of the following February made way for the Ministry of M. Boulgaris, who determined on a dissolution of the Chamber, and the substitution of a new Budget for that which had been introduced in the preceding November.

Consequently a general election took place in the spring, and it was not till July 1868 that the Budget for the then current year was framed and laid before the Deputies, by whom it was taken into consideration in the month of November, when after undergoing certain modifications it was eventually voted.

The estimated expenditure, so-called ordinary, and which alone is taken into account in this document, amounted for the year 1868 to 34,093,986 drachmas (1,217,642*l.*), while the revenue to meet this expenditure was estimated at 33,508,000 drachmas (1,196,714*l.*), showing an estimated deficit of 585,986 drachmas (20,928*l.*).

As compared with the Budget for 1867, the estimated

* The average value of the pound sterling is 28 drachmas; 1 drachma contains 100 lepta.

ordinary expenditure of 1868 shows an increase of 3,410,516 drachmas (121,804*l.*), while the estimated revenue for 1868 shows an increase of 1,215,665 drachmas (43,416*l.*).

The estimated expenditure for 1868 was thus apportioned :—

	Drachmas.	£
Public Debt	7,896,370	= 222,013
King's Civil List	1,125,000	40,178
Indemnities to Deputies	360,000	12,857
Various Ministerial Departments ..	20,515,116	732,683
Cost of administration and supervision	2,299,500	82,125
Miscellaneous	1,898,000	67,786
Total	34,093,986	1,217,642

The first of these items shows a large increase as compared with previous years. As the propositioa was originally made, the amount asked for the public debt exceeded the sums voted in 1867 by 1,805,180 drachmas (64,471*l.*). The amount set down for the foreign debt was 2,025,000 drachmas (72,321*l.*), or 950,000 drachmas (33,928*l.*) more than had been voted for the year 1867. But this sum of 950,000 drachmas comprised an amount of 800,000 drachmas (28,571*l.*) for an arrangement which it was then contemplated would be made with the English bondholders of 1824-25, and this vote was eventually withdrawn from the Budget, partly in consequence of the representations made by the Governments of the three Protecting Powers, who were unwilling to allow of any arrangement being made by the Greek Government with other creditors, which might in any way diminish their security for the payment of the interest and principal of the loan guaranteed by those Powers in 1832, and partly in consequence of the vehement opposition of a large section of the Chamber, which deemed it inexpedient for Greece to recognize anew old debts, unless it could be positively ascertained that fresh credit abroad and a fresh loan would be the immediate result of an act of honesty so long deferred.

The other increase of the charge for the foreign debt was 150,000 drachmas (5,357*l.*), which were voted for the payment to Queen Amelie of the first instalment of moneys due to the heirs of King Otho for the palace which His Majesty had built at his own cost, and for other his private property in Greece.

But the increase in the charge for the home debt, as

proposed and subsequently voted by the Chamber, was almost as great as that proposed for the foreign debt. It amounted to 787,500 drachmas (28,125*l.*), so that the charge for the internal debt of Greece, for the year 1868, including the interest on Treasury bonds, and the regular grants to certain of the Islands (a debt having its origin in the War of Independence), was estimated at 3,159,870 drachmas (112,852*l.*). The cause of this increase has been the necessity of meeting in some way the deficits of preceding years, which have in the last decade, accumulated to an amount considerably exceeding the whole annual revenue of Greece ten years ago. In the Budget for 1868, the amount set apart for the interest and sinking fund of these internal loans only, which have been contracted in rapid succession since the expulsion of King Otho, is no less a sum than 2,035,000 drachmas (72,678*l.*); and there is no reason to doubt that a still larger sum will be required for the year 1869, and for succeding years.

There is also an increase of 67,680 drachmas (2,417*l.*) for pensions and the superannuation fund for civil employés.

The next item in the Greek Budget is the King's Civil List, which is fixed by the Constitution at 1,125,000 drachmas (40,178*l.*), and in this there is no change.

The estimates for 1868, as presented to the Chamber July, included a vote of 360,000 drachmas (12,857*l.*) for the indemnification of Deputies, as against 371,000 drachmas granted in 1867, but when the Budget was voted in November, the more liberal figures of the preceding year were even exceeded, and the sum voted was 381,874 drachmas (13,638*l.*).

The next general division of the Budget comprises the expenditure for the several Ministerial Departments, and in all of these, with the exception of those of the Interior and of Justice, the amounts asked for were larger than in previous years.

The cost of the Foreign Department was estimated at 862,028 drachmas (30,787*l.*), an amount but slightly exceeding that of 1867; and this increase was explained by the Minister as having been mainly caused by the happy marriage of the King, which circumstance made it necessary for His Majesty to give away a few Royal decorations, but this augmentation was not voted, and the expenditure of the Department was eventually fixed at

834,028 drachmas (29,787*l.*), or 8,147 drachmas less than in 1867. It is curious to observe that at a time when the Chamber votes readily extraordinary credits of millions without requiring any accounts whatever, it refuses the modest demand of the Minister for Foreign Affairs for an increased allowance of 100 drachmas (3*l.* 11*s.* 5*d.*) per month for carriage hire. M. Delyanni, whose salary as Minister was about 350*l.* per annum, having shown in a paper accompanying the Budget that the sum of 3,600 drachmas (128*l.*) is not sufficient for the maintenance of a respectable carriage in suitable condition, failed to persuade the Chamber to make the additional grant proposed, viz., 1,200 drachmas (43*l.*) per annum.

It may also be observed in this place that, although among the reductions made in the Budget during its passage through the Chamber with the view of converting an actual deficit in the accounts for the year into an apparent surplus, a sum of 957*l.*, which, as before mentioned, had been demanded for the Royal decorations, was not voted, yet a law authorizing the payment of a sum of 2,002*l.* for these decorations given away in the year of the King's marriage, has since been duly promulgated, having been regularly accepted by the Chamber almost simultaneously with the Budget.

The vote for religion and education was 1,653,446 drachmas (59,052*l.*) showing an excess, as compared with 1867, of 158,252 drachmas (5,653*l.*). This augmentation is mainly due to the increased number and higher pay of the teachers, more especially in the higher class schools.

The vote demanded for the army was 8,808,250 drachmas (314,580*l.*), showing an increase of 776,968 drachmas (27,749*l.*) in the sum required for the ordinary expenditure as compared with the charge for 1867 more than 2,000,000 drachmas (71,428*l.*) in excess of that for 1866.

The amount actually voted was 8,454,250 drachmas 301,936*l.*). The difference between the charges for 1867 aud 1868 was mainly caused by the formation in the end of 1867 of four battalions of Chasseurs, to which the Government of M. Bulgaris added four companies so-called detached.

But in speaking of the military expenditure of Greece it would be idle to base any conclusions on the ordinary Budget, or, indeed, to offer any opinion on the subject, unless it were possible to examine at the same time the

application of the extraordinary credits, of which scarcely any account has yet been rendered, or seems likely to be rendered to the Greek nation.

The estimated expenditure of the Naval Department 2,053,300 drachmas (73,333*l.*), shows an excess as compared with that for 1867 of 424,150 drachmas (15,149*l.*); the main part of which increase is caused by the augmentation of the personnel of the Ministry of Marine and of the Naval Arsenal. The extraordinary expenses incurred in the purchase of iron-clads, &c., as in the case of the military preparations, find no place in these estimates, and any account of them must belong to the subject of the extraordinary credits and their disposal, on which as yet little or no detailed information has been obtainable.

The expenditure of the Ministry of Finance is estimated at 1,132,398 drachmas (40,443*l.*), or 67,313 drachmas (2,404*l.*) more than in 1867. The whole of this extra cost is due to the increase in the number and pay of the employés in every branch of the Department. A further sum of 92,000 drachmas was voted afterwards as a supplementary credit for the payment of certain arrears of pensions.

The Minister of Justice estimated the expenditure of his Department at 2,441,022 drachmas (87,179*l.*), a sum less by 42,819 drachmas (1,529*l.*) than that voted in the preceding year. The apparent reduction is due to the fact that money was voted in 1867, which was not again required in 1868, for the establishment of new law courts, and to a diminution in the rent of the building used for the sittings of the Court of the Areopagus.

The Budget of the Ministry of the Interior also shows an apparent reduction of 365,342 drachmas (13,048*l.*), the amount demanded for the service of the year being 3,544,214 drachmas (126,936*l.*). The detailed accounts for the Department presided over by M. Boulgaris show that here too (as was the case with almost all his colleagues) there has been a considerable augmentation of the expenses of the personnel of the Department; the whole apparent reduction being due to the withdrawal from these estimates and the insertion under the head of miscellaneous estimates of the subsidy of 370,000 drachmas (13,214*l.*) granted to the Steam Packet Company. The amount as eventually voted shows a further reduction of about 30,000 drachmas; but a supplementary sum of 76,000 drachmas was afterwards added by virtue of a Royal Decree, which was approved by the Chamber.

The sum demanded for the cost of administration and supervision was 2,299,500 drachmas (82,125*l.*), as against 2,302,008 drachmas (82,214*l.*) in the preceding year, and the amount actually voted was 2,289,051 drachmas. This vote includes the cost of the maintenance and working of public property, as well as the collection of the taxes.

Although this amount may fairly represent the direct cost to be defrayed by the Government for the collection of the taxes, it conveys no idea of the real burden laid upon the Greek population, for the manner of collection, although it has formed a frequent subject of complaint in the Chamber, continues to be almost as onerous as formerly. It is still necessary for the cultivator to have his crop, with the exception of olives, currants, and cotton, measured by the collector on the ground on which it is grown, before he can obtain permission to carry it, and as a consequence of the delays incident to such a system the crop is often unnecessarily damaged or destroyed by bad weather; while it is obvious that the power of delaying or refusing the permission to carry cereals may be converted by an unscrupulous collector into a most effectual engine of extortion, against which the poorer proprietors have practically no redress.

Nor is it only the cultivator that suffers from the irregularity which pervades the whole system of collection. The receipts from taxes are always in arrear, and a large quantity is never received by the Treasury at all; more especially where the debtor happens to stand well with the powers of the day.

It was estimated some short time since by competent authorities that the arrears of taxes alone amounted to no less a sum than 60,000,000 drachmas (2,142,857*l.*); and besides the known arrears, the amount of which, owing to laxity of administration, the State is defrauded through neglect or dishonesty of its employés is very considerable.

Effective measures of supervision and control would, in a country situated as Greece now is, be no doubt difficult of introduction, and, if introduced by any Government, could not fail to be disagreeable to important members of the Chamber, whose interests, unfortunately for Greece, it has hitherto been too generally deemed more expedient to serve than those of the State.

Under the head of Miscellaneous Payments, a sum of 1,898,000 drachmas was set down in the Budget for 1868,

as against 1,338,000 drachmas in the preceding year, and the sum eventually voted was still larger, viz., 2,018,000 drachmas (72,071*l.*), showing an increase, as compared with 1867, of 68,000 drachmas (24,286*l.*). The whole of this excess was attributed by M. Simos, Finance Minister in July 1868, to the execution of the law passed in 1867 by the Ministry of M. Koumoundouros, with the object of facilitating communication by land and sea between the different parts of the kingdom; an object, undoubtedly, of paramount importance for Greece.

To meet the increased expenditure of the year, the Government did not think it expedient to have recourse to new taxes, but they determined to maintain the augmentations that had been introduced by M. Koumoundouros in the preceding year; and as these augmentations had only taken effect for the last nine months of 1867, it was estimated that the same taxes would naturally produce in 1868 a larger amount than they had yielded in the previous year.

Thus, it was computed that the direct taxes, including those on land, houses, bees, cattle, &c., would produce 12,950,000 drachmas (462,500*l.*), instead of 12,205,000 drachmas (435,893*l.*), as in 1867. So, too, with the indirect taxes, customs, stamps, &c., which figure in these estimates for 13,900,000 drachmas (496,429*l.*), instead of 13,285,000 drachmas (474,464*l.*). Public undertakings, such as the telegraph and post-office, would, it was supposed, yield much the same as in 1867, and the income to be derived from them was estimated at 804,000 drachmas (28,714*l.*).

The receipts from national lands, mines, salt-pans, fisheries, &c., are set down for 2,811,000 drachmas (100,393*l.*), as against 2,615,110 drachmas (93,397*l.*); while the sale of national property is estimated to produce for 1868 1,090,000 drachmas (38,928*l.*), or 90,000 drachmas (3,214*l.*) more than in 1867.

Under the head of Miscellaneous Revenue, the amount set down by the Finance Minister was 660,025 drachmas (23,572*l.*), showing an anticipated increase of 83,000 drachmas.

Under the head of Ecclesiastical Revenue, derived from the sale or lease of monastic property, it was estimated that the State would receive 242,000 drachmas (8,643*l.*), as against 245,500 drachmas in 1867.

Arrears of taxes, and rents of public property, &c., likely to become available in the course of the year, were estimated at 1,050,975 drachmas (37,535*l.*), or at a sum less by 509,025 drachmas (18,180*l.*) than that which had been set down in the Budget for 1867.

From the foregoing, it may be seen that the Ordinary Budget for 1868, as proposed by the Ministry of M. Boulgaris, showed an increased expenditure, as compared with 1867, of 3,410,516 drachmas (121,804*l.*); and as compared with the estimated revenue of the year, a deficit of 585,986 drachmas (20,928*l.*); and as it was ultimately voted after the reductions made in the Chamber, it showed an increased expenditure, as compared with 1867, of 2,306,653 drachmas (82,380*l.*), but a surplus on paper for the year of 517,877 drachmas (18,495*l.*) But reference to the Supplementary and Extraordinary Credits, voted at the same time with the Budget, show but too plainly the fictitious nature of the surplus thus obtained.

The following Table shows under its different heads, the expenditure, as established by law, for the two years 1867 and 1868, irrespective of the extraordinary votes taken for the latter year:—

	1867.		1868.	
	Drachmas	£	Drachmas.	£
Public Debt	6,091,190 =	217,543	7,096,370 =	253,442
The King's Civil List ..	1,125,000	40,178	1,125,000	40,178
Expenses of the Chamber .	371,000	13,250	381,874	13,638
Foreign Office	842,175	30,078	834,028	29,787
Ministry of Justice . ..	2,483,841	88,708	2,441,022	87,179
Ministry of the Interior ..	3,909,556	139,627	3,511,384	125,407
Ministry of Religion and Education	1,495,183	53,400	1,653,446	59,052
Ministry of War	8,031,282	286,831	8,454,250	301,936
Ministry of Marine ..	1,629,150	58,184	2,053,300	73,333
Ministry of Finance ..	1,965,085	38,039	1,132,398	40,443
Cost of administration and supervision	2,302,008	82,214	2,289,051	81,752
Miscellaneous payments .	1,338,000	47,786	2,018,000	72,071
Total	30,683,470 =	1,095,838	32,990,123 =	1,178,218

What the expenditure really was may not, of course, be known for some time, and is one of those subjects which seem to have but little interest for the Greek mind.

The estimated revenue, as described above, is here shown in a tabular form for the same two years:—

	1867.		1868.	
	Drachmas.	£	Drachmas.	£
Direct taxes	12,205,000	= 435,893	12,950,000	= 462,500
Indirect taxes	13,285,000	474,464	13,900,000	496,429
Public undertakings (Telegraph, Post Office, &c.) .	804,700	28,739	804,000	28,714
Produce of natural property	2,615,110	93,397	2,811,000	100,393
Sale of national property ..	1,000,000	35,714	1,090,000	38,928
Miscellaneous receipts ..	577,025	20,608	660,025	23,572
Ecclesiastical receipts ..	245,500	8,768	242,000	8,643
Arrears	1,560,000	55,715	1,050,975	37,535
Total	32.292.335	= 1,153,298	33,508,000	= 1,196,714

Immediately on the ordinary Budget followed the supplementary and the extraordinary credits.

The supplementary credits amounted to 1,158,000 drachmas (41,357*l.*), the main part of which sum was required for (1) an indemnity due to Turkey on account of certain property at Thebes, which had long been a cause of discord between the two Governments; (2), arrears of pensions and various other payments; (3), the expenses of a general election; and (4), the cost of an extraordinary Session of the Chamber, for which the Deputies voted themselves a further sum of 286,000 drachmas.

The extraordinary credits amounted to 11,200,000 drachmas (400,000*l.*), to be distributed somewhat as follows :—

	Drachmas.	£
Allowances to Cretan refugees ..	3,700,000	= 132,142
General measures of safety ..	2,500,000	89,286
Construction of ships	1,800,000	64,286
Matériel of war	3,200,000	114,286
	11,200,000	400,000

These 2,500,000 drachmas for measures of general safety form an item the application of which is most unknown, but at a time when the Government was providing, in concert with the Greek nation, funds and ammunition in aid of the Cretan insurrection, it would have been impossible for them to publish to the world, had they wished to do so, the application of the funds thus placed at their disposal, and certainly no Greek Chamber would have desired to be furnished with such information.

The Budget and its appendages, as voted in the month of November, show the following authorized expenditure :—

	Drachmas.	£
Ordinary	32,990,123	= 1,178,218
Supplementary	1,158,000	41,357
Extraordinary	11,200,000	400,000
	45,348,123	1,619,575

Which was to be met by a revenue estimated at 33,508,000 drachmas (1,196,714*l.*).

The difference, 11,840,123 drachmas (422,861*l.*) was to be covered by loans, which under the circumstances of the country are not easy to negotiate, more especially as it would be difficult to find any person moderately informed who believes the deficit of the year 1868 to be fairly represented by a sum of 12,000,000 (428,571*l.*).

Opinions, in the general want of information, doubtless vary as to the exact amount of this deficit, but it is difficult to believe that it will prove to be in any way short of 17,000,000 (607,143*l.*), it being customary now to over-estimate the revenue, as well as to under-estimate the expenditure of the country; but this is a matter which may not be exactly known for some time, as the Audit Office is always some ten years in arrears with the examination of the national accounts; and Greek statesmen, in preparing their Budgets, have not before their eyes the danger of being exposed as false prophets with regard to the amounts to be received or expended, as the verifying process of the "Compte Rendu" does not take place till a time when probably the Minister, as well as his Budget and his policy, is forgotten.

The last balance-sheet presented to the Chamber showing the moneys actually received and expended in the course of twelve months was for the year 1859. For later years no such official statement has yet been submitted to the Chamber, which is content to hear from the mouth of the Minister of the day the actual state of the Treasury, but has not the means of informing itself as to the past expenditure.

How very slight is the personal responsibility of a Greek Minister for the accuracy of his calculations, may easily be inferred from the fact (by no means an exceptional one) that the sixteen months, November 1867 to February 1869 inclusive, have seen no less than six different Ministers presiding over the Department of Finance.

A few days in the month of November sufficed for the

discussion and determination of the above-described Budget, Ordinary, Supplementary, and Extraordinary. The Session was then formally closed, and the Deputies met again in extraordinary Session on the 27th of the same month, to discuss and vote, as they did in a very few days, a larger Ordinary Budget for 1869, and still greater extraordinary credits.

The Budget for 1869 is in its main features very similar to that voted for 1868. The expenses occasioned by the political state of the country are carefully excluded therefrom, to be met by extraordinary credits.

The ordinary expenditure of the year is estimated at 34,605,254 drachmas (1,235,902*l.*), and the revenue at 37,620,200 drachmas (1,343,578*l.*); so that, omitting from the calculation the large but unknown head of extraordinary expenditure, a surplus of 3,014,946 drachmas (107,676*l.*) was anticipated.

The following Table shows the estimated expenditure of each Department for 1869 :—

	Drachmas.		£
Public Debt	7,625,530	=	272,340
The King's Civil List	1,125,000		40,178
Expenses of the Chamber ..	382,000		13,643
Foreign Office	779,781		27,849
Ministry of Justice	2,379,880		84,996
Ministry of the Interior . ..	3,097,093		110,610
Ministry of Religion and Education	1,496,290		53,439
Ministry of War	8,077,145		288,470
Ministry of Marine	1,806,541		64,519
Ministry of Finance	1,070,870		38,245
Administration and Supervision ..	2,162,124		77,219
Miscellaneous payments . ..	4,603,000		164,394
Total	34,605,254		1,235,902

From this it will be seen that the amount payable for the public debt has increased by 529,160 drachmas (18,898*l.*)

This is caused by—first, the fact that the instalment of the 4,500,000 (160,714*l.*) due to Queen Amélie was larger by 75,000 drachmas than last year, because during 1868 the debt was only reckoned for the last eight months, while for 1869 it is reckoned for the whole year; and secondly, the increase by 453,200 drachmas (16,185*l.*) of the charge for the internal debt, the interest and sinking fund for which will annually demand more money from the Treasury so long as the Government find it necessary to continue to raise money on the loans already authorized by

the Chamber. Thus, whereas the charge for the loan of 6,000,000 drachmas (214,286*l.*), sanctioned in 1862, was, in 1868, 435,000 drachmas, the charge for 1869 is set down at an increase of 15,000 drachmas. Similarly, the loan of of 1866, which in 1868 was estimated to cost 200,000 drachmas, is now set down at 418,200 drachmas. So again with the loan of 28,000,000 (1,000,000*l.*), the charge last year was reckoned on the 15,000,000 then obtained. For 1869 it is calculated on 18,000,000, *i.e.*, with an increase of 270,000 drachmas.

The increased charge for these loans is therefore 503,200 drachmas, against which may be set off a few obligations already paid, which diminish the charge by 50,000 drachmas, leaving a total increased burden of 453,200 drachmas (16,185*l.*).

There is in this Budget one item entirely novel, which, figuring on both sides of the account, makes the total appear much larger than last year.

This item is included in the Miscellaneous Estimates as a charge of 2,850,000 drachmas (101,786*l.*) for coining new money.

The amount is made up as follows:—

	Drachmas.	£
Payment to Messrs. Mercié at Paris, for coining 300,000 bronze coins .	950,000 =	33,928
Cost of transport and insurance ..	100,000	3,572
Nominal value of old coins to be withdrawn	1,800,000	64,286
Total	2,850,000	101,786

But on this transaction the Government hope to make a profit of more than 25,000*l.*; for on the credit side of the account there is set down a sum of 3,627,200 drachmas (129,543*l.*), which it was hoped would be obtained in the following manner.

	Drachmas.
300,000 bronze coins would be put into circulation, having a nominal value of	3,000,000*
The old coins to be withdrawn, having a nominal value of 1,800,000 drachmas, would be disposed of for	403,200
The Government would receive from Messrs. Erlanger	224,000†
These sums give a total of	3,627,200

* About three times their intrinsic value.

† For the privilege of coining out of old money 9,000,000 of silver coins.

And as the cost of this transaction was estimated at 2,850,000 drachmas, the net result to the Greek Treasury would be, it was anticipated, a gain of 777,200 drachmas (27,757*l.*). It has since been determined to postpone till the 1st of January, 1870, the issue of the new money, consequently, any receipts under this head must be deferred for another year.

The various Departments of State show, on paper, a reduction of their charges amounting altogether to 1,540,228 drachmas (55,008*l.*), of which the larger part is due to a diminution of the charges set down for the Ministers of the Interior, of War, and of Marine.

The Minister of the Interior proposed the suppression of 12 posts of eparchs, and a proportionate number of secretaries, by which he economized 80,000 drachmas; he also reduced, by 50,000 drachmas, the sum allowed for purposes of general security, and by various measures of retrenchment, under every head, he was enabled to exhibit to the Chamber a reduction of 500,000 drachmas in the vote for the ordinary expenditure of his department.

In a statement accompanying the Army Estimates the Minister of War instituted a comparison between the strength and cost of the army now and ten years ago, showing that, although the expense of this as well as of all other Departments of State has increased considerably, the augmentation is not due to any increase in the number of officers, as has been too generally affirmed, but to a real increase of the numbers and material comfort of the soldiers. The number of officers is still very great; but if the proportions existing in 1859 between officers and men were still maintained, the number of the former would now be almost 1,000.

In 1859 the army consisted, according to the Budget, of:—

Officers	679
Non-commissioned officers and privates	9,415
Horses	751

And cost a sum of 6,184,772 drachmas, equal to 220,885*l.*

The daily pay of the soldier being then 38 lepta, or about $3\frac{1}{4}d.$, his ration of bread being valued at 18 lepta, and the expense of his clothing at 13 lepta, while fodder for a horse cost in that year 1 drachma, about $8\frac{1}{2}d.$ per diem. In 1869 the army is set down as consisting of:—

Officers	799
Non-commissioned officers and privates	13,415
Supernumeraries	302
Horses	862

And the cost is estimated at 8,070,507 drachmas, equal to 288,232*l.*

The soldier's pay is now 42 lepta, nearly 4*d.*, daily, though the soldier only receives 16 lepta in cash, the remaining 26 lepta being now, as was also the case formerly, retained for payment (1) for his mess 20 lepta daily, and (2) 6 lepta for washing, &c.

The ration of bread, which he receives over and above this allowance, is computed to cost the country 24 lepta per head, and the clothing about 20 lepta daily; and the keep of a horse is now 1 drachma and 20 lepta.

From these figures M. Spiro Melios concludes that the army, which now has an effective stronger by 4,000 men than in 1859, at an additional cost of 1,885,515 drachmas (67,340*l.*), is managed much more economically than in former years.

The principal heads of expenditure in this Department are thus apportioned:—

	Drachmas.	£
Salaries of the employés at the War Office	101,488	= 3,624
Pay of officers and non-commissioned officers of Engineers	104,466	3,731
Pay of officers, non-commissioned officers, and men of Artillery ..	278,592	9,950
Ditto ditto Cavalry ..	121,000	4,321
Ditto ditto Infantry ..	2,623,918	93,711
Armed police in the country districts .	1,190,839	42,530
War materials, including soldiers' rations	970,000	
Fodder for horses	270,246	
Clothing for the troops	672,000	
Military equipments, &c.	2,085,346	74,476

This statement he concluded by showing a reduction in the charges for his Department for the current year of about 400,000 drachmas (14,286*l.*); while the Minister of Marine showed a similar reduction of about 250,000 drachmas (8,928*l.*).

It would, however, hardly seem to be worth while to examine in detail the nature of the reductions sketched forth in this Budget when it is remembered that the Ministry, in proposing it, at the same time demanded extraordinary credits, amounting to about three years'

revenue of Greece; and consequently many if not all of those items, which appear to be less than in the preceding year, will have to be paid for by the Greek Government or its creditors on a very much larger scale than in previous years.

The revenue for the year 1869 is estimated at 37,620,200 drachmas (1,343,578*l.*), or 4,112,200 drachmas (146,864*l.*) more than that of 1868. The amount to be received under the various heads may be seen from the following Table:—

REVENUE FOR 1869.

	Drachmas.	£
Direct taxes	12,355,000	= 441,250
Indirect taxes	14,500,000	517,857
Public undertakings, including coining new money (3,627,200 drs.) .	4,431,200	158,257
Produce of national property, mines, fisheries, &c.	3,017,000	107,750
Sale of national property . ..	1,320,000	47,142
Miscellaneous	680,000	24,286
Ecclesiastical	267,000	9,536
Arrears	1,050,000	37,500
Total	37,620,200	1,343,578

The increase is due to two causes; first, the large receipt anticipated from the new money, as described above, which accounts for about seven-eights of the increase, viz., 3,627,200 drachmas, and which, as already explained, cannot be received in the course of this year; and, secondly, to the expectation of a larger olive crop in the Ionian Islands, in which alone an export duty is paid. It may here be observed that this tax is still maintained in the Ionian Islands, although it has ceased to be in force in the rest of Greece, since the 5th October, 1867, as a kind of equivalent for the tithe which presses so heavily on the rest of the kingdom and from which those islands are exempt. But the export duty is so much heavier than the tithe that, practically, the produce of the Seven Islands labours under a disadvantage when competing in foreign markets with the produce of the Morea.

The Finance Minister estimated that this olive crop for the year 1868 would produce about 225,000 barrels, of which not more than one-fifth would pay the export duty before the 31st December of that year; so that the amount to be received under this head alone in the course of 1869 was estimated at 2,200,000 drachmas, which

together with the export duty on wine, currants, and soap from the Seven Islands, would produce an amount of 2,900,000 drachmas (103,571*l.*).

Thus, the anticipated revenue to be derived from the Custom-house is 10,900,000 drachmas (389,283*l.*), or 900,000 drachmas (32,143*l.*) more than was expected in 1868.

The foregoing are the principal points of difference between the Budgets for the years 1868 and 1869.

The Budget for 1869, as before mentioned, shows a surplus for the year of 3,014,946 drachmas (107,677*l.*), but it makes no provision for the Cretan refugees, nor for the extraordinary military and naval preparations, nor for the accumulated deficits of preceding years,—which last item M. Valassopoulos, the gentleman who presided over the Finance Department in the month of November, informed the Chamber amounted to no less a sum than 25,000,000 drachmas (892,857*l.*), which had consumed the surpluses available from the earlier more prosperous years of the kingdom, and were not even covered by the numerous recent loans, as each year, from 1858 inclusive, however varied the estimates may have been, and however great the surplus anticipated had, unfortunately, with unvarying uniformity closed with an actual deficit.

At first sight it seems difficult to understand how the Greek Government, with an ordinary revenue of some 30,000,000 drachmas (1,171,428*l.*) can carry on its administration at all in the face of so comparatively enormous a deficit and so infinitesimal a credit; but for the last six years, besides frequent loans, there have been issued Treasury Bonds to the amount of 6,000,000 drachmas (214,286*l.*), and by their circulation and by keeping for months in arrear the salaries of the civil employés,* from the King downwards, and by a similar postponement of payments of nearly every kind, excepting always the pay of the soldiers and sailors which has hitherto never been allowed to be in arrear, successive Governments have

* Under the pressure of these too common arrears the civil employés who have received orders on the Treasury for their salaries which are not paid, are often glad to get them negotiated at a loss of 15 or 20 per cent., by speculators who, if common rumour may be credited, often succeed, through personal influence, &c., in procuring comparatively speedy payment from the Treasury, and are thus enabled by the State, through its lax administration, to make a handsome profit at the expense of its own employés.

contrived to tide over difficulties from year to year. However, in view of a war in the winter and in order to carry on the machine of Government, the Ministers on the day following the vote of the Budget, introduced into the Chamber a Bill authorizing them to obtain as best they might, 100,000,000 drachmas (3,571,428*l.*) to meet the unforeseen difficulties of the time.

The Government, under the circumstances which existed in December 1868, were naturally unable to give any account of the probable extraordinary expenditure for the army and navy; but they estimated the cost of relief to be given to the Cretan refugees and some extraordinary measures of general security at the sum of 6,200,000 drachmas (221,428*l.*). But any special appropriation of moneys would fail to interest by the side of a Law, the terms of which are so wide and general as that which was passed on the last day of the extraordinary session, by which the following provisions were made:—

Article 1.—An extraordinary credit of 100,000,000 drachmas is opened for the Government in view of the extraordinary circumstances of the State. This credit shall be distributed among the various Departments of State by Royal Decrees, according as the extraordinary circumstances may require.

Art. 2.—The Government, acting in defence of the national interests under the present extraordinary circumstances, is authorized to contract a loan, by pledging or mortgaging all property of the State whatsoever, and to obtain other resources.

Art. 3.—The Government is authorized to have recourse to extraordinary recruitment for the army and navy, according to the requirements of the country.

Nor was the Government slow to take advantage of this law to raise money, for on the 4th of January, 1869, within a fortnight of its promulgation, a Royal Decree was signed announcing the immediate issue of inconvertible paper money to the amount of 15,000,000 drachmas (535,714*l.*).

This step was not, however, taken until the Government had exhausted every endeavour to induce the National Bank to lend 4,000,000 drachmas of specie required for immediate use. As may naturally be supposed, the promulgation of this Decree, announcing the intention of Ministers to make this unexpected use of the 2nd Article

of the Law above cited, produced consternation among the commercial class of Athens, which saw in the wholesale issue of paper money the ruin of the entire trade of Greece; for, once these notes should be put into forced circulation, it was to be feared that at any moment the Government might largely increase the issue.

Upon this a compromise was effected, and M. Boulgaris obtained the co-operation of M. Valaorites as Finance Minister, in the place of M. Valassopoulos, who resigned; and an arrangement was made with the two Banks, according to which the above-mentioned Decree was withdrawn on the 11th of January, and 21,000,000 drachmas (750,000*l.*). 15,000,000 in notes, and 6,000,000 in silver, were to be advanced by the Banks, 14,000,000 by the National, and 7,000,000 by the Ionian Bank, according to the requirements of the Government, while the Bankers were no longer bound to redeem in cash their notes, which were declared legal tender for all payments in the Ionian Islands as well as in Greece Proper, until such time as the Government should be able to refund the amount of this practically forced loan. Meanwhile, the banks were relieved from all obligation to keep a metal reserve, while the circulation of their inconvertible notes was limited to 48,000,000 drachmas (1,714,286*l.*); for the National Bank, 36,000,000 drachmas; and the Ionian Bank, 12,000,000 drachmas; and the number of these inconvertible notes was to be gradually diminished in proportion as the Government should repay the advances made to it.

This arrangement, though much less ruinous to the commercial interests of the country than the issue of inconvertible Treasury notes previously determined on, could not fail to have a depressing effect on the public mind, not so much from the amount added thereby to the liabilities of the State, as from the general feeling of insecurity it inspired, for no one was really deceived into thinking this a voluntary loan made by the banks and free commercial speculation; and it was obvious that the same pressure which could take 21,000,000 drachmas, could at a future date increase the demand to a degree limited only by the resources of the banks.

The result of this measure on foreign exchanges has been as yet an advance of about 3 per cent. in the value of gold.

Since the fall of M. Boulgaris' administration and

the consequent assurance of peace for the present, it has been urged very strongly upon the new Ministry, presided over by M. Zaimis, that the circumstances under which the law of the 22nd December, 1868, was passed no longer existing, the Government no longer have any authority to use the extraordinary powers thereby conferred on them.

M. Avierino, the present Finance Minister, has therefore been much pressed to refund to the banks the amounts already taken by Government, and to compel them as before to redeem their notes in cash.

What course Ministers may eventually adopt in this question is still a matter of conjecture, but although they have put a stop to the extraordinary recruitment ordered by their predecessors, and are endeavouring to reduce the expenses of administration, it would not appear from the subjoined account of the state of the Treasury and its liabilities as they found it, that they will be able to dispense with this pecuniary assistance unless some new and unforeseen source of immediate revenue should become available.

It would appear that on the 1st February the Treasury contained the sum of 670,000 drachmas, with the prospect of an immediate receipt of 40,000 drachmas, making a total sum of 710,000 drachmas (25,357*l.*).

With these resources it had to pay at the same date:—

	Drachmas.
Interest of the loan of 1862	400.000
Support of Cretan refugees	300,000
Extraordinary measures of general security ..	600,000
Debt to the Steam-Packet Company	500,000
Regular Cost of salaries and administration ..	700,000
Making a total sum of	2,500,000

Equal to 89,285*l.*

Nor does this represent the whole of the immediate difficulties of the Greek Treasury. Besides these 2,500,000 drachmas the Ministry of M. Boulgaris left to their successors liabilities of about 3,000,000 drachmas (107,143*l.*), immediately required for the payment of Remington guns, gunpowder, and other munitions of war, as well as various debts incurred in Cretan affairs.

If to these 5,500,000 drachmas (196,428*l.*) are added the ordinary expenses of the Kingdom for the six months ending the 30th June, viz., 16,000,000

drachmas (571,428*l.*), the amount required by that date will be 21,500.000 drachmas (767,857*l.*), to meet which there were available as shown above, 710,000 drachmas, and the ordinary revenue of these six months, which, according to official calculations, cannot exceed 10,000,000 drachmas (357,143*l.*), so that, in order to pay its way to the 30th June, Government must obtain some 11,000,000 drachmas (392,857*l.*).

Of the 21,000,000 drachmas (750,000*l.*) which the banks consented to advance, the Ministry of M. Boulgaris had taken in the three weeks they remained in office after the agreement was entered into, about 6,000,000 drachmas (214,286*l.*), so that there remain at the disposal of Ministers, if they deem themselves justified in taking them, 15,000,000 drachmas (535,714*l.*), but they know that every step they take in this direction must inevitably hamper Greek trade by raising the agio on specie, for even now in some parts of the Kingdom the notes of the banks can only be cashed at a discount which is certain to increase as the want of specie payments continues to make itself felt daily more and more.

The subject of the Greek debt having been so recently discussed in Reports by Mr. Farquhar in 1864, and by Mr. Ellis in 1867, it will be unnecessary to revert to it here further than to say that the same old debts, on which no interest has been paid for years, still exist, and as a natural consequence are gradually increasing in amount, while new debts are being continually added in proportion as the Government can find sufficient credit at home to place fresh loans. But practical exclusion from foreign markets, the result of national bad faith, necessarily prevents any large augmentation of the principal of Greek debts, though by raising the rate of interest, on those which the Government is able to contract, at home, it proportionately increases the burden to the tax-payer.

The difficulties which now beset the Greek Treasury are doubtless very great, and are likely to increase unless the new Ministry should adopt, together with a less reckless foreign policy, a sounder financial system than that which has hitherto been pursued by successive administrations, whose main endeavour would seem to have been to tide over the crisis of the moment without attempting any regular settlement of Greek Finance and Greek credit on a permanent basis.

The Minister of the day finding probably the expenditure of the State considerably too great for its income, finding also that the reduction of expenditure was invidious and unpopular with those whose support it was necessary to conciliate, has generally contrived to borrow a sufficient sum to pay his way for the moment, leaving to his successor a heavier amount of debt and accumulated deficit to deal with.

A new Ministry has now taken office with the well-worn watchwords, "honesty, retrenchment, and reform;" and it remains to be seen whether, on the meeting of the Chamber, they will have the courage to avow openly the amount of Greek liabilities, to show to a somewhat impatient people that the inevitable end of the financial course hitherto pursued, is national bankruptcy, and point out the conditious on which alone it is possible for Greece to reorganize her finances and renovate her damaged credit. The policy of repudiation has been tried and has failed: the policy of honesty can only be pursued if Greece is willing seriously to reduce her inordinate expenditure, and thoroughly to alter its direction. She must give up the extravagant yet useless military preparations which cost the nation so dear, and which, in the hour of danger were found wanting. She must also reduce the great army of civilians who waste her energies and consume her revenues; but more important still than the reduction of the number of employés would be a general recognition that civil appointments should, as a rule, be permanent.

Under the present system, the country suffers not only from the excessive number of its civil servants, but from the still greater number of those who have been and those who expect in turn to become office-holders, whenever a change of Ministry may occur, and whose capacity for useful labour is thus diverted into the channel of political intrigue.

By wise reductions and a change of system, the expenditure of the country might no doubt be largely diminished, while, on the other hand, by a diversion of its funds to more useful purposes, the State might largely increase its revenue. At present, although no manufacturing industry exists in Greece, there is a great capacity for agriculture comparatively but little developed; for so long as the cultivator of the soil has to contend with an oppressive system of taxation, with a general want of roads

and a total absence of security for life or property, so long will capital be inevitably deterred from a country richly endowed by nature, but impoverished by long maladministration.

If a moiety of the sums now wasted on the army were devoted to the suppression of brigandage, if the countless drachmas thrown away in the erection of useless ports for civilians were appropriated to the construction of roads, if the sentiment of national honour were to replace in the minds of Greek politicians the idea of national aggrandizement,—the aspect of things in this country might change in a few years and Greece might lead the way of progress in the East.

Ἄιλινον ἄιλινον εἰπὲ, τόδ' εὖ νικάτω.

(Signed) EDWARD HERBERT.

REPORTS

BY

HER MAJESTY'S SECRETARIES

OF

EMBASSY AND LEGATION,

ON THE

MANUFACTURES, COMMERCE, &c.,

OF THE

COUNTRIES IN WHICH THEY RESIDE.

Presented to both Houses of Parliament by Command of Her Majesty.
August 1869.

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1869.

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Belgium.

Report by Mr. Pakenham, Her Majesty's Secretary of Legation, on the Financial State of Belgium.

Brussels, May 20, 1869.

In common with most European States, Belgium has suffered during the past year from that general feeling of distrust which, when prolonged beyond a certain point, is often more prejudicial to financial prosperity than a temporary convulsion of the money-market.

The highway to Germany and the Southern States of Europe (not to mention its own imports and exports), in time of peace, the possible theatre of war in the event of European complications, every political question assumes a commercial importance in this country, often out of all proportion to its apparently probable results. It is therefore not surprising that the general quotations of the Bourse and the large deposits shown in the Bank Returns, indicate the existence of an unusual amount of dormant capital and a persistent distrust of foreign securities. Nor have other causes been wanting to increase this halting confidence. The failure of several important enterprises, both at home and abroad, and unlooked for disclosures as to the condition and management of others, have largely contributed to the general depression.

It must, however, be borne in mind that the result of this state of things is negative rather than positive, and indicates a want rather of fruitfulness than of materials, as is clearly shown by the large deposits in the banks, the high price of national securities (from $1\frac{1}{2}$ to 4 per cent. above par since April 1868), the $4\frac{1}{2}$ per cent. loan issued at the end of the financial year 1867 at 102, and the enormous surplus subscribed for the loans of the "Crédit Communal" and the provincial towns, a surplus so large in the case of the "Crédit Communal" that, though the reserved shares were issued, a very considerable reduction

had to be made on the demands of the public. It appears, therefore, that while Belgium, in common with other countries, has suffered from political uncertainty in the partial stagnation of trade, and suspicion of foreign securities and speculative undertakings, the public faith in its national and local securities is not only unshaken, but has rather increased than otherwise; a state of things easily accounted for when the Minister of Finance is able to declare that, with the exception of 1,000,000 francs (40,000*l.*), every sum borrowed by the nation since 1830 has been spent on works of public utility, and that inclusive of its share of the debts of the Netherlands, the entire obligations of the State may be represented by a capital of less than 24,000,000*l.*, bearing interest at the rate of 4½ per cent., or rather less than 1,064,000*l.*, with an increasing revenue of 7,036,000*l.*, easily raised, and bearing lightly on the public.

Here, as in France, the mode of keeping the public accounts renders it impossible to declare the positive results of the financial operations of the preceding year; indeed, the public accounts for 1867 were not definitively passed at the time the financial statement was made (March 1869), but sufficient confidence may be placed in the estimated results for all practical purposes, and these fully bear out the foregoing observations.

During the year 1868 the tax on buildings increased 1,315,926 francs, and that on mines 297,000 francs; while the "droit de patente," or business license, the "personnelle," and wine, spirit, and tobacco licenses, fell considerably below the estimate.

The receipts from railways amounted to 1,000,000 francs less than was expected; the Post Office and telegraph alone show steady progress. The Excise also has disappointed the expectations of the Budget, the high price of cereals in 1867 and 1868 having exercised an unfavourable influence on the manufacture of eau de vie in 1868, and of malt liquors in 1867-68.

The accompanying Table contains a *résumé* of the accounts from 1830 to 1868:—

	Ordinary.		Extraordinary.		Total.		Ordinary Budget.		Extraordinary.		Total.	
	Receipts.	Expenses.	Receipts.	Expenses.	Receipts.	Expenses.	Surplus.	Deficit	Surplus.	Deficit.	Surplus.	Deficit.
	Francs c.	Francs c.	Francs c.	Francs c.	Francs c.	Francs c.	Francs c.	Fr.	Francs c.	Francs c.	Francs c.	Francs c.
1830 to 1857 inclusive	..	...	...	...	...	...	...	...	...	...	...	7,412,621 63
1858	155,154,108 22½	139,134,509 70	726,631 15	5,610,495 66	155,880,739 37½	144,745,005 36	16,019,598 52½	...	...	4,883,864 51	11,135,734 1½	...
1859	156,628,276 70	148,374,184 93	1,721,369 15	4,515,494 69	158,349,645 85	152,889,679 62	8,254,091 77	...	...	2,794,125 54	5,459,966 23	...
1860	155,612,571 17⅓	142,880,769 90	14,096,647 44	16,144,607 42	169,709,218 61½	159,025,377 32	12,731,801 27⅓	...	...	2,047,959 98	10,683,841 29½	...
1861	156,771,924 87	145,774,861 53	15,462,486 97	17,657,007 78	172,234,411 84	163,431,869 31	10,997,063 34	...	...	2,194,520 81	8,802,542 53	...
1862	161,116,339 51⅓	149,331,221 29	3,421,575 1	27,751,059 31	164,537,914 52¼	177,082,280 60	11,785,118 22½	...	...	24,329,484 30	...	12,544,366 7⅓
1863	163,241,641 14	151,096,377 15	5,683,679 35	35,965,945 2	168,925,320 49	187,062,322 17	12,145,263 99	...	...	30,382,265 67	...	18,137,001 68
1864	164,249,330 74⅓	153,715,678 89	17,264,924 23	32,507,450 69	181,514,254 97½	186,223,129 58	10,533,651 85½	...	...	15,242,526 46	...	4,708,874 60½
1865	169,054,984 78	156,741,911 70	9,031,966 39	32,051,825 1	178,086,951 17	188,793,736 71	12,313,073 8	...	...	23,019,858 62	...	10,706,784 54
1866	168,841,101 34	165,481,967 11	18,206,376 99	37,724,704 83	187,047,478 33	203,206,671 94	3,359,134 23	...	...	19,518,327 84	...	16,159,193 61
1867	172,971,902 45	169,700,707 24	50,432,961 18	21,903,608 68	223,404,863 63	191,604,315 92	3,271,195 21	...	28,529,352 50	...	31,800,547 71	...
1868	175,840,471 54	174,834,649 77	33,347,120 7	19,223,311 50	209,187,591 61	194,057,961 27	1,005,821 77	...	14,123,808 57	...	15,129,630 34	...
											83,012,262 12	62,250,221 51

	Francs	c.
There would thus be a surplus from 1858 to 1868 of	20,756,040	61
To which must be added portions of loans either not spent or not yet recovered, viz., loan of September 1859	1,526.387	77
Loan of May 1865	23,237,066	84
Loan of June 1867	6,582,430	0
	31,345,884	61
	20,756,040	61
Total surplus January 1, 1869 ..	52,101,925	22

	Francs	c.		
Deduct deficit, 1830 to 1857 ..	7,412,621	63		
Public works, &c., remaining yet to be carried out for which credits have been taken previous to 1869	52,947,868	98		
			60,360,490	61
Estimated deficit for 1869			8,258,565	30

Additions will be made to the above later in the year, when further information on the subject will have been procured.

(Signed) T. PAKENHAM.

Republic of Nicaragua.

Report by Mr. Corbett, Her Majesty's Chargé d'Affaires, on the Financial Position of the Republic of Nicaragua.

Guatemala, May 29, 1869.

The Under-Secretary, in the month of February last, placed before the Congress of Nicaragua a Report on the financial position of the Government.

In his opening address to the Senators he deplores that it is not in his power to give them an exact balance as to the actual position of the Republic with respect to its financial condition.

The Report is an exposition (as far as is possible) of the finance during the two years 1867 and 1868, for which years the revenue of the Republic appears to have

	dollars.	c.
amounted to	1,229,191	25*
From which sum is deducted for salaries of officials and expenses ..	281,318	60
Leaving for the purposes of administration and payment of public debt a balance of	947,872	65

This revenue was derived from the following sources:— import duties, cattle tax, stamps, spirit monopoly, tobacco monopoly, and gunpowder monopoly; these being the principal sources, and indeed the only ones that enter into the yearly estimate, since amounts received outside of these are too fortuitous to be taken into consideration.

The Government of Nicaragua have for so long a time employed a system of accounts so imperfect and inadequate to the results required, that it is impossible to arrive at the real financial position of the State.

It appears, from a Report placed before Congress in January 1867, that the total receipts for the two preceding years amounted to 1,293,985 dollars 40 cents, which sum

* *Vide* Table No. 1, p. 340.

exceeds the amount reported as the proceeds during the two years 1867 and 1868 by 64,794 dollars 15 cents.

This, however, is an incorrect balance, and though the figures represented in the Reports appear to show that the receipts of the years 1865 and 1866 surpassed those of the years 1867 and 1868, such was not really the case, but, on the contrary, the revenue of the two latter years exceeded that of the two former.

This is thus demonstrated:—

		Dols. c.	Increase during 1867 and 1868. Dols. c.
Import duties	1865–66	244,301 65	
„ „	1867–68	282,933 80	
			38,632 15
Cattle tax	1865–66	119,525 20	
„ „	1867–68	121,555 40	
			2,030 20
Spirit monopoly	1865–66	374,785 70	
„ „	1867–68	452,314 45	
			77,528 75
Stamps	1865–66	17,109 85	
„	1867–68	18,994 5	
			1,884 20
Gunpowder monopoly ..	1865–66	13,613 15	
„ „ ..	1867–68	13,676 10	
			62 95
			120,138 25
Tobacco monopoly	1865–66	286,077 75	
„ „	1867–68	274,555 45	Decrease. 11,522 30
Approximate Increase in Revenue during 1867 and 1868	..	..	108,615 95

This approximation is nearly correct, since, as has been previously observed, the minor sources from their little effect upon the increase or decrease of the revenue are not worth being taken into consideration. It is impossible to reconcile this considerable increase during the years 1867 and 1868 as thus set forth with the amount (64,794 dollars 15 cents) above exhibited as the increase for the years 1865 and 1866; and, indeed, so incomprehensible appears to be the existing state of the accounts, that

the Under-Secretary of State suggests that the Government should adopt the clear and reliable system of double entry,—which at present seems to be unknown to Nicaraguan financiers. By a comparison of the accompanying Tables (laid before Congress) it will be at once seen that a glaring discrepancy is displayed between the receipts and expenditure.

In Table No. 1 the amount disposable for the purposes

	dollars.	c.
expressed in Table No. 2 is shown to be	947,872	65
While the amount stated in this latter Table as actually expended is	1,000,837	65
Difference	52,965	00

Proving at once the thoroughly inadequate state of the books.

The Government's position with regard to its liabilities may be said to be almost as bad as it can be, for while their known indebtedness ascends to a very high figure, they are actually ignorant as to what the total amount is, "because it is not yet known what is the total of Government Bills outside of the Republic."

The amount of debt of which the Government are not ignorant is 2,146,762 dollars 63 cents, thus detailed :—

	Dols.	c.
Custom-house bonds	30 065	65
The Manning bonds	156,891	0
Preference bonds..	194,694	25
Ordinary bonds	1,655,038	90
Miscellaneous	110,072	83
Total	2,146,762	63

As a climax it only remains to be added that paid up bonds and bills of different kinds to the amount of 110,601 dollars 95 cents have lately been abstracted from the Treasury Office, which appear to have been allowed to remain uncancelled, since they were in such a condition as to admit of their being again circulated. The Government has consequently had to form a Committee which is to call in and qualify all documents of this class in circulation, by a laborious reference to accounts in all the fiscal offices of the State, and has also had to decree a new form of document to be substituted for those that are found to be legitimate.

The accounts kept in the different provincial offices throughout the Republic are a true reflex of those at the general head. Besides pending accounts belonging to the last economical year and "many previous years," there are no less than 165 similar ones that defy explanation on account of the ruinous condition they are in, and cannot be closed on account of the death or insolvency (!) of the employées who managed them.

(Signed) EDWIN CORBETT.

(No. 1.)—INCOME of the Government of Nicaragua during the Financial Years 1867 and 1868.

	Income.		Expenses.		Net Proceeds.	
	Dols.	c.	Dols.	c.	Dols.	c.
Balance from 1866 ..	1,763	80	..		1,763	80
Tobacco monopoly ..	274,555	45	75,161	50	199,393	95
Cattle tax levied on cattle slaughtered	121,555	40	5,617	15	115,938	25
Spirit monopoly	452,314	45	193,030	60	259,283	85
Gunpowder monopoly ..	13,676	10	644	90	13,031	20
Stamps	18,994	5	1,074	80	17,919	25
Estate Tax	10,369	65	503	65	9,866	0
Fines	3,591	21	291	10	3,300	11
Government lands ..	22,851	65	..		22,851	65
Import duties	282,933	80	4,994	90	304,524	59
Miscellaneous	26,585	69				
Total	1,229,191	25	281,318	60	947,872	65

(No. 2.)—Expenditure of the Administration in the Republic of Nicaragua during the Years 1867 and 1868.

	Dols.	c.
Supreme Government and officials	55,436	75
Diplomatic corps	24.333	30
The Church	31,692	35
Salaries of civil officials	35,349	5
Salaries of the Legislative Body	30,944	15
Army salaries	30,515	10
Salaries of army officers	26,138	5
Army expenses	112,277	65
Voluntary loans	47,969	60
Inland revenue force	74,519	50
Prisons	6,421	40
Ordinary civil expenses	27,732	50
Extraordinary civil expenses	80,502	95
Ordinary military expenses	17,400	75
Extraordinary military expenses	15,673	40
Education	2,722	25
Liquidation of foreign debts and interests ..	72,052	75
„ sundry „ „ ..	10 804	45
„ army liabilities	49,626	65
„ preference bonds	65,223	0
„ ordinary bonds	117,247	10
Post Office	6,722	90
Roads	1,989	5
Sundries	57,543	0
Total	1,000,837	65

Portugal.

Report by Mr. Doria, Her Majesty's Secretary of Legation, on the Mines in Portugal.

Lisbon, June 24, 1869.

Although the Kingdom of Portugal is rich in minerals of every description, mining operations in this country, till within the last few years, I may say, have been greatly neglected. Traces of mining operations, which were carried on, evidently with great success, by the Romans, exist in many parts of the country; and had that branch of industry been continued, Portugal might now rank as one of, if not the first country in Europe for its vast and rich mineral productions.

As I have stated, it is only within the last few years that this branch of industry has commenced to advance regularly. It was in the year 1854 that a law was enacted for the regulation of mines, a law based upon the French law of 1810 upon the same subject. It establishes the rights and regulations of a system granting great liberty and facilities to persons engaged in such a legitimate though speculative employment.

The Kingdom of Portugal is divided into four mineral divisions or districts, over which an engineer appointed by Government exercises inspection. There are eight engineers appointed by Government, five of whom are employed in the inspection of mines. The Minister of Public Works is at the head of a Council of mining operations, at which the Inspectors of the four mineral districts also assist. The Board consists of eight members; and in the absence of the Minister of Public Works, his place as President is filled by the Inspector-General of Mines. Government has not neglected to afford facilities to persons wishing to engage in geological studies, for which purpose a Committee was appointed in 1857.

Some idea may be formed as to the great advancement which has taken place regarding the working of mines

from the following statement that in 1853 there were but two mines in existence; viz., that of anthracite of San Pedro de Cova, near Oporto, and the lead mine of Braçal, in the District of Aveiro. In 1862 the number of mines was 24. In December of 1866 the number in full operation had increased to 56. Concessions were granted for 94, and 171 were about to obtain concessions.

The number of miners and other workmen employed, was about 4,500 persons.

Making a division of the kingdom into four districts, the first contains:—

		Mines.
1st Division,	Province Minho	45
2nd „	Beira Alta, Baixa	56
3rd „	Province Estremadura	31
4th „	Province Alemtejo, Algarve ..	133
		265

These 265 mines produce copper, lead, tin, antimony, manganese, iron, anthracite, and lignite.

In 1866, the mineral produce from the Mine of St. Domingos was nearly 167,000 tons of iron pyrites, with a mixture of copper, 1,600 tons of copper, 1,220 tons of lead, 1,000 tons of manganese, 1,000 tons of sulphur of antimony.

The approximate value of these minerals equalled 520,000*l.*

Coal.

The existence of coal in Portugal is of rare occurrence, and limited in quantity. There are only three places where the presence of coal is well developed, viz., at San Pedro da Cova, Bussaco, and Moinho da Ordem; at San Pedro da Cova only it is evident that the coal could be extracted in sufficient quantity to repay the expense of working.

The *Mine at Cape Mondego*, near Buaros, in the District of Leiria, possesses coal which might also be worked.

The *Mine de Chao Preto*.—The coal from this mine has a resemblance to lignite, veins of black shining coal run through it in some cases; in others, the coal is black and compact, and may be considered as real coal. The Iron and Coal Company of Portugal has obtained the concession, and has undertaken to carry out the search to discover the depth of the seams; but their researches have not been

executed on a sufficiently large scale, to arrive at any satisfactory result at present.

I may here call attention to the coal mine at Belmez, in Andalusia, which is becoming of great importance, and likely to have an influence on the importation of English coal into this country. This coal is of a superior quality, as I am informed by the Director of the Northern Railway of Portugal, who has furnished me with a specimen of it. The said Railway Company has already made an arrangement for a considerable supply. The mine lies at 240 kilometres distance from Badajoz, and at 522 kilometres from Lisbon, altogether a distance of about 480 English miles. A railway has already been constructed from Belmez to join the main line from Badajoz, by which it is brought into direct railway communication with Lisbon and Madrid, the railway is being continued to Cordova, from which town there is already railway communication to Cadiz. As the working of this mine hardly dates a year back, and as the Company is still occupied in erecting the required machinery, the price of the coal might in a short time be considerably reduced. The price of the coal which the Northern of Portugal Railway has paid for the coal at the pit's mouth, is 15 francs per ton. The expense of carriage equals 12 francs, which makes the cost of the coal on reaching Lisbon amount to 27 francs per ton, or 22*s.* 6*d.* This, perhaps, is rather higher than the usual price of English coal; but it is to be supposed that the Spanish Railway, in its own interest, could easily diminish its present high rate of carriage. On the other hand, freights from England being low for coal in vessels coming to Lisbon for return cargoes, it is likely that a fair competition will continue for some time between the price of English and Spanish coal here, if not in the interior of the country, near to the line of railway. The necessity of keeping a large supply of coal in depôt here will be done away with, as coal can always be obtained from Spain, a necessity formerly occasioned by the possibility that no vessel might arrive during the winter season,—an eventuality which occurred in 1867, much to the inconvenience of the Northern Railway.

Petroleum.

Mine of Da Granja, in the District of Leiria.—The bituminous sandstone has a great development in this

district; rich layers, almost fluid, appear nearly on the surface of the earth, extending from the River Lig to San Martinho do Porto. It is at Da Granja alone that this strata of bituminous sandstone has been explored, and its discovery is too recent to calculate upon its future importance.

At Marrazes, two kilometres from the town of Leiria, there exists a seam of fossil trunks of trees, some of very large size; this deposit of fossil wood belongs also to the Iron and Coal Company of Portugal, which has hitherto neglected to give that attention to utilizing it, which it merits.

Turf in Portugal is not abundant; its existence is known in several places on the left bank of the River Sado, opposite Setubal.

Iron.

Iron is abundant in all the provinces of the kingdom, and is found in several geological formations. The mountains Serra dos Monges, in the Commune of Monte Moro Novo, District of Evero, is one of the most important sites from its position and productiveness; the facilities for extracting the ore on a large scale are great, and the short distance, not more than a mile and a-quarter from the South-Eastern Railway, renders its exportation easy from Barreiro, the harbour opposite to Lisbon. This same mineral exists in considerable quantity in the Province of Alemtejo, near Villa Boim, about four miles from Eloas, and also at Campo Maior, near the Spanish Estremadura.

In Alemtejo, carbonate of iron is frequently to be met with between Santiago do Cacem and Odemira; in the same province, strata of iron ore are numerous. Magnetic iron is found over an extensive tract of country in the District of Leiria. The English Iron and Coal Company of Portugal have erected recently a large furnace for smelting iron at Pedrianes, where there is a large forest belonging to the Government, consisting of about 30,000 acres of pine wood.

Copper.

In Alemtejo, in the District of Evora, there are seven copper mines, for five of which concessions have been granted. The following are the names of the five which are being worked: Peccena, Commenda, Sobral, Alpedreira, Alcala d'Alcalaim.

The *Copper Mines of Xeres and Barcas*, now abandoned for special reasons which are irrespective of its productions, lie upon the right bank of the River Guadiana near the Spanish frontier.

The mineral wealth of the Province of Alemtejo is becoming more and more worthy of attention, where traces of mining operations having been carried on to a great extent are evident; whether these works were executed by the Romans or Arabs seems uncertain. In the reign of King Emanuel, the mines of Alandroal were worked, the proprietor receiving a fifth of the raw produce.

In the Province of Beira, in the District of Aveiro, exist the three copper mines—*Palhal*, *Telhadella*, *and Moinho de Pintor*. The mine of Palhal from the year 1860 to the year 1866 produced 8,539 tons of copper. This mine has been assiduously worked since 1854; 500 workmen are employed. The advantageous position with regard to the River Caima has been taken advantage of. The mineral is washed and shipped from the port of Aveiro to England.

The *Mines of San Domingos*, *Aljustrel*, *and Grandola*, in the Province of Alemtejo, extending over a surface of sixty-eight miles, are found to exist under a geological formation exactly analogous to the metallic region of the Province of Huelva in Spain, of which they form a continuation.

The mineral produce of San Domingos is iron pyrites and copper containing 3·5 per cent. of copper, and 4·9 to 5 per cent. of sulphur. The Romans had worked this mine; the quantity of scoria existing shows the immense amount of ore which they had extracted. They had with much perspicacity only extracted the ore from the richer, leaving the less productive veins untouched.

This mine of San Domingo is the property of a French Company: their representative in Portugal is an Englishman, Mr. James Mason, under whose direction the mine is principally worked. The Government of Portugal, impressed with a due appreciation of the benefit arising to the country from the development of its mineral wealth, has twice conferred upon Mr. Mason a mark of its consideration; in the first instance Mr. Mason received the title of Baron de Pomarão, and in the second, the title of Viscount Mason was conferred upon him by the Portuguese Government.

This Company, when some further works have been

finished, expects to be able to furnish 200,000 tons of iron pyrites annually,—167,000 tons were produced in 1866. The mine of San Domingos has surpassed in productiveness all the mines of the Spanish Province of Huelva, and has become the most important of its kind, a consequence arising from the facility of carriage, which enables the Company to deliver sulphuric acid to the English market at a very reasonable price, which, under other circumstances, it would not be possible to export to a foreign country. At Pomarão, on the River Guadiana, a port has been constructed with solid quays along its banks, whence ships receive their cargoes. The railway, formerly only a tramway, is now furnished with steam engines,—ten in number, by which the transit is now nearly entirely carried on. The first ship was laden from Pomarão on the 23rd March, 1859, since which time 700,000 metrical tons of iron pyrites have been exported to England.

For a detailed movement of the whole of the produce exported since the year 1859 see Table No. 4.

In order to form an opinion relative to the development and progress of the mining operations of San Domingos, it is sufficient to state that in the year 1858 one humble hermitage existed on the range of hills which are now peopled with habitations for miners with stables and with workshops in connection with the mine, consisting of 524 different buildings ; 200 furnaces for baking the ore are being prepared, after which operation it is submitted to a process of trituration, previous to another process for separating it by means of hydraulic sieves. The ore having undergone the process of baking and sifting is destined at once to produce copper. In conclusion, I may state that in 1866, 2,000 workmen were employed in this mine, of whom 800 were employed under ground.

The Mine of Aljustrel.—A concession has been granted to an anonymous Company for working this mine. The Company is occupied at present in making preparations for the undertaking. The quantity of scoria found in the vicinity bears testimony to the former prolific character of this mine.

Mine of Grandola.—Here also traces of vast quantities of ore having been extracted are evident, and it will probably again become of importance in the production of sulphuric acid, as the River Sado can furnish the salt, and

that the mine is only a short distance from Setubal, which is one of the vast harbours of the Peninsular.

Lead, Silver, and Zinc Mines.

Mine of Varzea de Trovaens.—This mine ranks first for its productiveness in both silver and lead. It is situated in the commune of St. João de Pasquera, about seven miles south of the Douro. The working of this mine was commenced in 1861 ; of the importance and richness of its produce there is no doubt. This is not the only mine in the vine-bearing district of the Douro; indication of the existence of lead have been found in other places, among which is Adorigo, which merits special attention.

Mine of Carvalhal.—Since 1862 the works at this mine have been carried on with great activity. The quantity of ore has not, however, exceeded fifty-four tons annually extracted.

Mines of Braçal and Malhada.—At present there are only these two lead mines of importance to be noticed in the District of Aveiro. Braçal has two veins which are being worked. Malhada has three veins, more productive than Braçal ; these veins vary in thickness, and sometimes consist of quite pure ore. The furnaces used in smelting, now in use, are after the model of those of Stolberg in Rhenish Prussia.

Mine of Coval do Mo.—The geological formation here is the same as in the two mines last mentioned.

Mine of Mertola.—Produces sulphate of lead, with from 500 to 600 grammes* silver per ton. The principal metals are those above-mentioned ; the mine also produces carbonate of lead, as well as carbonate of iron,—occasionally also copper is found ; according to these details the mine appears worthy of serious attention to commence operations on a large scale, particularly it should be remembered that the River Guadiana is only at about two miles distance, affording thus a place for shipping the ores at little inconvenience and expense.

Antimony.

The *Mines of Rebeiro de Igreja*,—the works of which are now suspended. The *Mine of Covelo* is little worthy of remark as to its present state of development.

* The gramme equals 15 grains troy.

Mine of Cortes Pereiras.—During the year 1866 about sixty persons were employed in this mine, and produced about 80 tons of the mineral. The importance of this mine is increased by its vicinity to the Guadiana, a distance of about three miles.

Tin.

Mine of Rebordosa, in the Province of Minho; here the mineral is very irregularly distributed, a fact of which science has not yet been able to afford explanation.

Mines of Rodas de Maras and Portella, in which exist several veins of tin. Their position renders the expense of working very small, galleries might be cut into the mountain, and there is abundance of water for all purposes.

In the Province of Tras os Montes many ramifactions of strata containing tin are known, which centre in the region of Paredes, Paradella, San Martin, and Montesinhos. The Mineral Company of Tras os Montes have begun to work the veins at Montesinhos, but the speculation has not yet proved very successful. It is establishing works in the valley of Anguira for washing the alluvial soil which is impregnated with tin ore.

Manganese.

This mineral is found in the Province of Alemtejo, and is concentrated within the district containing the pyrites of San Domingos, Aljustrel, and Grandola; it is not found at a great depth, and the works are generally carried on above ground. In the Commune of Mertola, Castro, Almodovar d'Ourique, and Beja, there is a large number of small mines, from which was extracted 1,000 tons in 1865. The quantity of manganese sent to England during the five years 1861 to 1866 reached 8,000 tons, valued at 32,000*l.*

The information contained thus far in my Report I have gathered from the Chief Engineer to the Government, Senhor N. Cabral's interesting pamphlet written in 1866.

For the following details I am indebted to the kindness of M. Leitão, who is at the head of the Board of Mines.

The entire increase since the end of year 1866 in

the number of mines in Portugal is shown by the following figures :—

Number of mines in existence in 1866	284
Increase in 1867	40
Ditto in 1868	33
	357

Of these it must be remembered, 137 having, from one course or other, ceased to be worked, there remain 220 in full operation.

List of Produce from the following Mines in the Year 1867.

			Value.	
			Currency.	Sterling.
		Tons.	Reis.	£
Coal ..	San Pedro da Cova			
	Produce not known, but supposed to have increased since 1866			
	Produce in 1866 ..	10,272		
pper ..	San Domingos ..	107,156	441,804,188	98,178
		Kilos.		
Ditto ..	Palhal	1,241,530	49,169,645	10,926
Lead ..	Braçal	1,265,483	35,868,946	7,971

The above-named four mines are returned as giving a clear profit, while the following do not clear their working expenses :—

			Value.	
			Currency.	Sterling.
		Kilos.	Reis.	£
Lead	Coval do Mo ..	157.847	5,062,872	902
Sulphur of Lead ..	Carvalhal ..	171,430	3,205,665	712
Copper and Nickel ..	Telhadella .	71.237	3,205,665	712
Coal	Buarcos ..	890.000	1,938,000	431
Lead and Silver ..	Vargea Trevoes	61 500	2,618,175	582
Manganese ..	San Domingos .	473.340	3,990,500	886

As no taxes are collected from mines until aft expiration of two years from the date of concessio

granted, it is impossible, except from the Custom-house Returns, to ascertain the amount of their exports and produce.

The Custom-house authorities have not yet replied to the questions which I addressed to them through the Board of Mines. There is also more irregularity than usual attending the information furnished to that Department in consequence of the reduction of salaries of the employés in accordance with the measures of economy lately introduced by the Government.

(Signed) WM. DORIA.

(No. 1.)—GENERAL LIST of Mines in Portugal which are being worked, and of those which have been abandoned up to the 31st December, 1868.

Description of Mine.	A.	B.	C.
Coal	23	11	12
Iron	45	24	21
Copper.	98	45	53
Tin	20	7	13
Lead and silver	66	26	40
Gold	6	5	1
Manganese	85	15	70
Antimony	6	1	5
Quicksilver	3	2	1
Asphalt	3	..	3
Sulphur iron pyrites ..	1	..	1
Phosphorite	1	1	..
Total	357	137	220

(No. 2.)

	A.	B.	C.
Mines for which concession has been applied for but not yet recognized by the Board of Mines	124	102	22
Mines recognized by the Board . ..	58	1	57
Mines for which provisional concession has been granted by the Board	47	9	38
Mines for which definitive concession has been obtained from the Board..	128	25	103
Total	357	137	220

(No. 3.)—List of Total Number of Mines in Portugal arranged according to their Locality in the Seventeen Districts of the Kingdom, specifying their individual quality, December 1868.

Districts.	Coal.	Iron.	Copper.	Tin.	Lead, Silver.	Gold.	Manganese.	Antimony.	Quicksilver.	Asphalt.	Sulphur.	Phosphorite.	Total.		
													A.	B.	C.
Lisbon ..	2	2	2	..	5	..	1	..	1	..	..	..	13	7	6
Santarem ..	..	..	1	..	3	..	..	..	..	..	..	..	4	3	1
Leiria.. ..	9	5	..	..	..	2	..	..	..	3	..	..	19	6	13
Coimbra ..	3	..	1	..	2	..	..	..	..	..	..	..	6	5	1
Aveiro ..	3	..	24	..	9	..	..	..	..	..	..	..	36	15	21
Vizeu ..	..	..	..	3	10	..	..	..	..	..	..	..	13	3	10
Porto.. ..	6	..	1	4	5	2	..	3	2	..	..	..	23	12	11
Braga.. ..	1	..	..	..	..	..	..	..	..	..	..	..	1	1	..
Vianna ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Villa Real ..	..	..	1	1	2	1	..	..	..	..	..	..	5	2	3
Braganza ..	..	1	4	9	4	..	..	1	..	..	..	..	19	10	9
Castel Branco ..	..	1	1	2	6	1	..	..	..	..	..	..	11	8	3
Guarda ..	..	..	..	1	1	3	..	..	..	..	..	..	4	2	2
Evora.. ..	..	3	44	..	2	..	2	1	..	..	..	..	52	24	28
Portalegre ..	..	5	3	..	11	..	5	..	..	..	1	1	26	8	18
Beja	..	27	9	..	4	..	75	..	..	..	..	..	115	28	87
Faro	..	..	7	..	..	..	2	1	..	..	..	..	10	3	7
Total ..	23	45	98	20	66	6	85	6	3	3	1	1	357	137	220

Note.—A. Mines for which concession has been applied for.
B. Mines abandoned or concession not granted.
C. Mines in operation.

(No. 4.)

Year.	Kilogrammes.
1859	7,887,565
1860	36,892,109
1861	45,020,890
1862	56,344,720
1863	115,383,170
1864	124,975,935
1865	142,478,595
1866	167,028,402

France.

Report by Mr. West, Her Majesty's Secretary of Embassy, on the Commerce and General Statistics of France.

Paris, July 1, 1869.

NOTWITHSTANDING the general stagnation which prevailed in financial affairs during last year, the Customs Returns which are now complete show a decided increase over previous years, although the proceeds may not perhaps have reached the amount anticipated.

Import Trade.—The total value of the imports under the head "d'Objets d'Alimentation," for the last eight years, was as follows:—

	£
1861	2,690,040
1862	25,152,200
1863	22,411,000
1864	20,188,440
1865	19,207,880
1866	20,013,880
1867	33,757,960
1868	37,810,560

The values of the principal articles under this head were:—

	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.
	£	£	£	£	£	£	£	£
Corn	15,600,480	6,300,360	2,120,800	925,920	737,280	1,982,400	12,757,600	15,047,720
Cattle	2,794,040	2,799,320	3,085,440	3,090,240	3,121,680	3,159,040	4,948,560	5,676,920
Fruit (table) ..	548,520	690,000	670,640	620,960	693,400	859,040	687,840	818,880
„ (oléagineux) ..	453,200	731,240	782,160	734,640	911,800	1,085,680	1,225,440	1,343,520
Sugars	5,160,040	5,236,880	5,896,760	4,865,000	4,533,880	3,788,680	3,514,720	3,77 ,800
Cheese and butter ..	577,280	538,800	560,400	626,400	816,160	822,520	1,054,440	1,053,680
Fish	678,920	666,840	736,000	1,058,760	989,320	1,041,800	1,248,040	1,317,480
Rice	591,600	511,840	492,320	481,680	348,200	417,260	524,440	759,040

The total value of the imports under the head "Produits Naturels et Matières Nécessaires à l'Industrie," was, for the same years:—

	£
1861	57,712,480
1862	53,522,160
1863	65,094,680
1864	70,770,880
1865	74,935,080
1866	78,305,480
1867	73,262,160
1868	82,793,840

Among the principal articles are:—

	1861.	1862.	1863.	1864.	1865.	1866.	7.	1868.
	£	£	£	£	£	£	£	£
Wool	6,751,000	7,405,360	8,949,200	8,834,040	9,724,880	10,113,160	9,183,920	10,874,160
Cotton	10,825,280	5,046,360	10,473,440	13,767,560	12,006,720	16,832,480	9,495,640	11,825,720
Silks	7,365,600	9,438,320	11,676,200	11,433,760	14,207,760	12,292,960	13,788,920	15,982,960
Coal	4,172,360	4,086,680	4,000,560	4,608,640	4,711,120	5,859,840	5,876,280	5,880,240
Iron	157,920	915,560	167,760	47,960	76,800	105,640	71,920	132,400
Steel	91,440	105,840	76,360	42,480	42,280	78,400	125,640	131,840

The total value of the imports under the head "Objets Fabriqués," was :—

	£
1861	4,430,520
1862	6,792,600
1863	6,102,360
1864	6,661,080
1865	7,789,360
1866	8,916,520
1867	8,886,200
1868	9,362,840

Among the principal articles are :—

	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.
	£	£	£	£	£	£	£	£
Hemp, flax, jute threads ..	234,840	233,200	308,080	204,200	397,280	383,760	391,960	554,120
Cotton threads	203,800	517,680	305,240	293,440	449,680	584,240	378,760	413,800
Woollen threads	48,400	29,972	409,360	459,880	523,600	506,080	294,560	401,880
Hemp, flax tissues	554,720	539,320	498,800	572,440	537,800	598,560	586,240	686,760
Silk tissues	168,480	184,960	189,160	291,600	453,720	562,280	848,040	915,320
Woollen tissues	824,120	1,638,440	1,334,920	1,278,760	1,524,040	1,711,960	1,683,120	2,202,800
Cotton tissues	375,280	572,200	336,400	378,640	420,440	926,800	748,880	794,440

The total value of the imports under the head "Autres Marchandises," was :—

	£
1861	2,860,080
1862	2,475,240
1863	3,447,120
1864	3,505,600
1865	3,739,920
1866	4,503,480
1867	5,154,240
1868	5,975,640

The total values were :—

	£
1861	97,693,120
1862	87,942,200
1863	97,055,160
1864	101,126,000
1865	105,672,240
1866	111,739,360
1867	121,060,561
1868	135,942,880

Export Trade.—The total value of the exports under the head "Objets Fabriqués," was :—

	£
1861	47,272,360
1862	54,748,280
1863	63,778,440
1864	72,379,880
1865	71,660,840
1866	72,787,760
1867	65,242,680
1868	66,654,920

And, under the head "d'Objets et Produits Naturels et Alimentaires" :—

	£
1861	26,796,360
1862	31,645,040
1863	38,584,040
1864	41,009,720
1865	48,025,520
1866	50,513,640
1867	43,592,360
1868	45,343,960

And "Autres Marchandises" :—

	£
1861	2,981,680
1862	3,313,920
1863	3,339,880
1864	3,577,120

	£
1865	3,848,640
1866	3,922,960
1867	4,201,360
1868	4,272,720

The total value of the export trade was :—

	£
1861	77,050,400
1862	89,707,240
1863	105,702,360
1864	116,966,720
1865	123,535,000
1866	127,224,360
1867	113,036,400
1868	116,271,600

The principal values are tissues of silk and wool. Tissues of cotton, tissues of hemp and flax, woollen and cotton threads and wine as follow :—

	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.
	£	£	£	£	£	£	£	£
Tissues of silk ..	13,315,640	14,526,240	14,811,720	16,304,728	17,116,960	18,694,360	16,896,720	18,354,448
„ wool ..	7,519,960	8,867,640	11,743,320	14,234,480	12,112,560	12,067,240	9,495,280	10,137,960
„ cotton ..	2,253,880	2,531,760	3,927,160	3,748,720	3,737,960	3,454,040	2,300,440	2,227,720
Hemp and flax tissues..	594,880	578,680	758,080	978,400	1,025,960	1,252,800	1,149,960	1,023,360
Woollen threads ..	262,520	501,560	608,920	763,480	849,320	944,080	1,231,440	1,379,640
Cotton ditto.. ..	42,560	67,760	75,240	99,841	92,360	75,280	52,040	55,240
Wines	7,836,920	8,400,000	9,189,520	9,381,560	10,413,240	10,327,880	9,783,680	10,695,000

The deficient harvest of 1867 necessitated a large supply of foreign wheat, and it will be seen from the foregoing Table of the value of the principal articles of import, that over 15,000,000*l.* sterling worth was imported. It is calculated that over 3,500,000 quarters came into the French market between the 1st August, 1867, and the 30th July, 1868. Under such circumstances it might have been expected that the value of the export of corn would have diminished; but it will be seen from the following Table that it increased:—

	£
1861	1,365,520
1862	1,670,720
1863	1,939,440
1864	2,248,800
1865	4,765,120
1866	7,151,680
1867	2,694,400
1868	2,730,160

The deficiency of the harvest in other countries added much to the difficulty of obtaining the necessary supplies, and the variation of the prices gave rise to a speculation which, at one moment, bid fair to create serious disturbances in some of the large towns.

The increased value of the imports of cattle during the year 1868, over previous years, is worthy of remark, because of the stringent measures in force against the importation of cattle supposed to be infected with the prevalent disease. It is a singular fact also that the Government, while taking precautions against the introduction of a disease from foreign countries, is actually investigating the nature of an indigenous one which has for many years caused great ravages amongst the live-stock in some parts of France. As the Commission appointed for this purpose has not yet published its Report, I can only state some general facts concerning it. This disease is peculiar to the Departments of the Cantal and Puy de Dôme, in the centre of France, and is known by the name of the "mal de montagne." It infects the cattle fed upon the high lands of these Departments, which form a vast volcanic plateau about 3,500 feet above the level of the sea.

The Southern and Western Departments are supplied with cattle from these pastures, and almost all the young beasts which are fattened in Normandy are bred here.

Large quantities of cheese are also made in these districts. It seems to be established that the malady consists in an affection of the viscera of the animals caused by the presence in the blood of an undue quantity of carbon, whether produced by the peculiar properties of the flora or water remains doubtful. Although it does not extend to the neighbouring districts, and has not hitherto been considered contagious, it is, I think, questionable whether cattle infected with it and removed to the other pastures may not reproduce it, under different conditions, in a more virulent and even contagious form.

With regard to the import and export of cotton and woollen stuffs, and the general state of the trade, I give the following information which is, I believe, correct :—

In the five Eastern Departments there is capital invested in spinning machinery to the amount of 8,000,000*l.* The trade employs 60,000 workmen, whose wages, it is calculated, are sufficient for the daily support of 150,000 people. Their labour is valued at 6,600,000*l.* The printing fabrics in the same districts number 16, employing 10,000 workmen, who receive wages which support 25,000 persons. The annual value of the proceeds is calculated at 1,760,000*l.* Half the produce of these two branches of industry is exported, and half is consumed in the country. Soon after the Treaty of Commerce with England came into force, the printing interest represented that their exports would be quadrupled if the free entry of foreign tissues, subject to re-exportation, were accorded. The Government accordingly granted their temporary admission free of duty. Now it must be remarked that it is this temporary admission of foreign tissues which was the subject of all the violent language against English competition, which was used by Protectionist Deputies in the Debate of the 17th of April last. A measure which the trade itself induced the Government to adopt for its benefit, is all at once denounced as the cause of its ruin, English competition is stigmatized as pillage, and the Deputies of the Departments which so urgently pressed for it are those who now so loudly demand its abrogation. Whilst admitting that the temporary admission of foreign tissues was granted at the request of the native manufacturers, it is incidentally stated that the outbreak of the American war at that moment rendered all competition impossible.

The sudden cessation of the supply of the raw material paralyzed the trade; but instead of fairly admitting this as one of the principal causes of the prevailing distress, it is sought to attribute it solely to the Treaty with England, and to a measure adopted at the suggestion of its opponents. It is further stated that the French market is inundated by Swiss tissues, which are produced at a lower price than French ones, and thus the prices of Zurich regulate the French market. Notwithstanding, therefore, the outcry against the English Treaty as the sole cause of the existing distress, its opponents are forced to admit that there are other circumstances wholly unconnected with it, which have mainly contributed to it.

The Minister of Agriculture and Commerce stated, during the debate on the temporary admission of foreign tissues, and in answer to the assertion that England having been deprived of the American market, had inundated France with its goods, that France was exporting to the value of 1,600,000*l.* to England of these tissues, while England was exporting to France to the value only of 72,000*l.*

He concluded his speech in the following words, which I think it worth while to quote:—

"I am not going to allude to the silk trade further than to state, that we are exporting to England to the value of 17,040,000*l.* But as regards cotton goods, I maintain that Manchester is right. The export of English goods is inferior to the export of French goods, to such an extent that we are asked to reduce our duties.

"We must not forget that the Treaty of 1860 preserved a duty of 15 per cent. for our tissues; and in presence of this duty, England, which admits our tissues duty free, declares she cannot compete with us.

"When one goes into this question thoroughly, what results?

"French industry presents a power which is without a rival in Europe. What it lacks is commerce. When it is a question of creating commercial relations, our inferiority becomes apparent. Compare France and England as regards special commerce ("commerce spécial"). The European commerce of France is superior to that of England, while our commerce with America, the East, and even Africa, is inferior. It is not a question of Colonies, for there are countries without Colonies which possess a

commerce with America three times as great as that of France. The conclusion, therefore, is that industrial France has nothing to fear, whilst commercial France, as far as distant commerce is concerned, is not in such a favourable position; and it is to this that we ought to turn our attention. It is necessary to give an impulse to the association of capital for commercial enterprise. A greater and more permanent good will result from such a patriotic course, than by augmenting actual difficulties which are of a temporary nature, and by spreading discouragement amongst the population."

That these difficulties are of a temporary nature to a certain extent, is shown by the value of the import and export of cotton and silk goods during the first four months of the present year, as compared with the same period of 1868, as follows :—

Value of Imports.

	1869.	1868.
	£	£
Cottons	4,546,280	4,692,640
Silks	4,927,240	4,685,400

Value of Exports.

	1869.	1868.
	£	£
Cottons	856,920	675,560
Silks	6,855,200	5,961,560

The export of cotton tissues, therefore, has increased in four months by 893,640*l.*, and these are the very same stuffs which it was asserted the towns of Lille, Roubaix, Tourcoing, and Dunkerque could no longer produce owing to English competition.

The following are the values of the principal articles of import and export for the four months of the present year compared with the same period of 1868.

IMPORTS.

	1869.	1868.
	£	£
Corn	634,360	7,590,400
Sugars	1,120,600	761,520
Cattle	1,007,160	1,287,880
Olive oil	625,800	210,240
Skins	1,740,960	1,814,120
Woollens	2,608,600	2,452,240
Flax	899,840	1,127,400
Oleaginous seeds ..	856,040	682,120
Woods	1,152,280	1,021,360
Coal	1,842,680	1,781,320
Woollen tissues ..	891,680	687,040

EXPORTS.

	1869.	1868.
	£	£
"Mercerie" ..	2,271,160	1,944,720
"Confections" ..	940,520	1,008,240
Sugars	907,240	758,360
Corn	1,142,440	565,400
Cattle	423,720	192,080
Wines	4,323,680	3,434,440
Brandies	1,142,800	902,720
Wool	489,240	612,760
Tissues of wool ..	3,801,720	2,892,680
Silk	2,154,400	1,761,720

The total value of the imports for the first four months of the present year compared with the same period of 1868 was—

	£
1869	37,378,840
1868	42,750,640

The total value of the exports was—

	£
1869	42,117,000
1868	35,982,720

The falling-off in the value of the imports is owing to the enormous decrease in the importation of corn since the abundant harvest of 1868.

With regard to the exportation of wine from the Department of the "Gironde" for the first four months of the present year compared with the same period of 1868.

The following Table shows the quantity exported to different countries :—

	1869.	1868.
	Imp. Gallons.	Imp. Gallons.
England	288,000	1,100,000
Belgium	770,000	572,000
Zollverein	220,000	484,000
Holland	1,078,000	528,000
Hamburgh, &c. ..	1,430,000	572,000
Mauritius	198,000	286,000
United States ..	1,342,000	484,000
Uruguay	946,000	946,000
Rio de la Plata ..	1,694,000	1,178,000

The total values are—

Imports.		Exports.	
1869.	1868.	1869.	1868.
£	£	£	£
183,040	159,240	4,323,680	3,434,440

The last is the return for the whole of France ; the quantities in imperial gallons are as follow :—

Imports.		Exports.	
1869.	1868.	1869.	1868.
Imp. Gallons.	Imp. Gallons.	Imp. Gallons.	Imp. Gallons.
3,968,294	2,728,616	25,636,996	20,883,830

This includes wine and liqueurs of all sorts.

The amount of duty levied during the same period is returned at 1,501,840*l.* an increase of 100,000*l.* over 1868. This increase is caused chiefly by the quantity of sugars imported. The duty levied was 541,524*l.* in the present year against 43,120*l.* in 1868. An increase is also observable in the duties on cotton and woollen twists, oils, and machines. I subjoin a Table showing the amount of duty levied during the first four months of the present year as compared with the same period of 1868.

	1869.	1868.
	£	£
Foreign sugars	197,360	96,840
Home „	344,160	306,280
Coffee	373,640	372,000
Coal	108,680	105,160
Woollen tissues	83,320	68,560
Iron, rails	3,600	360
„ cast	1,120	5,400
Corn	3,440	104,600
Fruit, table	10,760	11,760
Cotton tissues	42,760	30,680
Hemp and flax tissues ..	25,920	22,840
Cocoa	31,680	31,480
Machines	13,320	11,320
Peppers	12,560	13,760
Olive oil	15,240	5,680
Metal fabrics	7,400	6,040
Cotton threads	17,080	18,400
Cheese	5,320	4,920
Brandies	30,000	5,000
Rice	5,560	6,080
Grain oil	6,360	3,520
Lead	40	..
Hemp and flax threads ..	12,600	17,480
Woollen threads	6,120	5,040
Steel	3,400	2,400
Tea	3,120	2,640
Vitrifactions	560	1,560
Other articles	146,720	150,080
Total	1,511,840	1,309,880

The increasing revenue derived from the Customs duties since the introduction of a more liberal system of commercial legislation seems, therefore, still to continue, and ought to be considered sufficient proof of the benefit conferred upon commerce by its introduction. The increasing prosperity of the country is also shown by the Returns of the proceeds of the indirect taxes for the first four months of the present year, a Table of which I subjoin :—

	1869.	1868.
	£	£
Customs—		
Imports	1,511,840	1,409,880
Exports	2,120	2,560
Navigation dues	3,600	3,400
Other Customs dues ..	21,200	20,880
Salt tax (consumption) ..	266,400	254,040
Total	1,805,160	1,690,760
Indirect Taxes—		
Excise—		
Beer and drinks. . ..	2,965,520	2,829,440
Salt tax	129,440	123,600
Sugar tax	790,480	876,400
Other proceeds	441,486	440,760
Tobacco (sale of) ..	3,299,920	3,223,280
Powder (sale of) ..	139,000	145,040
Total	7,775,840	7,638,520
Total general	9,581,000	9,329,280
Expenses for drawbacks .	3,360	2,520
Remains to Treasury ..	9,577,640	9,326,760

The general increase of revenue and extension of commerce, which the foregoing Returns show, indicate the immense vitality of France. The drain upon the population caused by the wars of the second Empire, and the enormous expenditure which they occasioned have been severe trials to the social energies of the nation, as the following statistics which I have taken from a work recently published will show.

The loss in men killed in these wars is estimated as follows:—

Crimea	80,000
China and Mexico	65,000
Italy	60,000
Total	205,000

The expenditure—

	£
Crimea	340,000,000
Italy	60,000,000
Other wars	40,000,000

If to this drain be added the increase in the

standing army, it can scarcely be wondered at that the population should be in a stationary condition, and that such a state should have seriously affected for some time the national prosperity. This is a subject which has lately occupied the attention of some eminent medical men who have published reports upon it.

It appears that the per-centage of deaths among children from one day old to twelve months in the following Departments is—

Loire Inférieure	.. .. ..	90 per cent.
Seine ..	.. .. ..	87 „
Eure ..	.. .. ..	78 „
Calvados ..	.. .. ..	78 „
Aube ..	.. .. ..	69 „

It seems also that infanticide and abortion are very much on the increase, and that the local authorities, instead of bringing these crimes to light, seek rather to conceal them in order that they should not appear in the criminal statistics. It is thought that since the abolition of the box in the doors of the Foundling Hospitals, which secured the secret admission of children, very many more are made away with. There are other causes appertaining to the peculiar constitution of French society, which it is asserted have a decided and marked effect upon the increase of the population. When, therefore, these circumstances, so adverse to the development of the commercial, industrial, and agricultural resources of a country, are considered, the foregoing Returns must be regarded as most satisfactory, and as proving the immense resources and riches which France possesses.

I close this Report by giving a Table showing the actual value of the import and export of the precious metals for the whole year 1868, and a Table showing the value for the four months of the present year compared with the same period of the two previous years :—

	£
Value of Import, 1868	27,360,304
Value of Export, 1868	15,969,080

Of which amount England imported 700,360*l.* and exported 7,985,040*l.*

Value of Import and Export for first four Months of Years 1869, 1868, and 1867.

	1869.	1868.	1867.
	£	£	£
Import	8,834,132	7,765,768	11,950,520
Export	5,887,780	5,485,560	4,769,209

(Signed) L. S. SACKVILLE WEST.